IIHS cites public support for 5-MPH standard

Campaign to overturn bumper ruling begins

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The first move to overturn the weakened bumper regulation has been made by the Insurance Institute for Highway Safety.

IIHS is headed by William Haddon Jr., who was the first chief of NHTSA, now headed by Raymond A. Peck. In filing a petition for reconsideration with NHTSA, IIHS cited new evidence of overwhelming public support for 5-MPH bumpers.

The rollback — promised by the Reagan Administration and found by Peck to be cost-effective last May 18 — becomes effective July 6. That is too late for many companies to make changes in some '83 models.

IIHS, whose president has consistently criticized "eggshell exteriors" for autos, said the rollback from 5 MPH to 2.5 MPH means bumpers will be 75 percent weaker because crash forces increase with the square of the speed.

The new IIHS opinion survey was conducted by Opinion Research Corp. after the rollback announcement. Questions reflected cost and benefit figures given to NHTSA by the auto and insurance industries.

Its major findings:

1. Told that 2.5-MPH bumpers would lower the cost of new cars $20 to $40 and would improve fuel economy 2 to 6 gallons a year, 71 percent of those surveyed still preferred 5-MPH bumpers. Twenty-two percent chose 2.5-MPH bumpers, and the rest made no choice.

2. When the 78 percent of respondents who chose 5-MPH bumpers or who had made no choice were asked for their preference if 2.5-MPH bumpers "reduced car prices by $100," 82 percent still chose the 5-MPH bumper.

3. When the 22 percent who initially preferred the 2.5-MPH bumper and the ones who had no preference were asked what choice they would make if they knew the 5-MPH bumper would reduce premiums on collision insurance 10 to 20 percent, more than 40 percent said they would then prefer the 5-MPH bumper.

Taken altogether—lower new-car prices and gas savings but higher insurance costs — more than 75 percent of those polled preferred 5-MPH bumpers.

The poll, taken between May 28 and June 3, had 1,003 respondents.

The poll was designed so that about half were prospective new-car buyers.

They were asked whether the government should mandate that bumpers protect against damage up to some minimum speed. Of the 76 percent who answered "yes," 31 percent set the speed at 5 MPH and 57 percent thought it should be greater than 5 MPH.

This is the second Opinion Research Corp. poll taken for IIHS. The first was criticized by NHTSA, which said the "structure and specific questions asked did not compensate for the public's general lack of detailed information concerning the costs and benefits of bumpers."

In the new questions, ORC

Continued on Page 42, Col. 1

Skoda gets new steering

The latest versions of the Czechoslovakian-built Skoda now arriving in West European markets feature one major change: Rack and pinion steering in place of worm and nut. In other respects, the rear-engined car is largely unchanged and sells primarily because of its low price. One unusual and longstanding feature is its aluminum cylinder block topped by a cast iron head.

But decline is only 1.02 percent to 173,648

June 1-10 U. S. new-car sales slip

By Jenny L. King
Staff Writer

Early-June domestic new-car sales narrowly missed their year-ago mark and ended the winning streak of three consecutive periods begun the first of May.

With General Motors' 12.8-percent financing program expiring at the end of May, it was no surprise that the biggest auto maker was down in sales; the surprise was that total sales weren't down substantially, and that Ford Motor Co. and Chrysler Corp. kept ahead of their 1981 levels without new consumer incentives.

Total for the June 1-10 period was 173,648, down 1.02 percent from 175,435 a year earlier. Two years ago sales dipped to 140,851 in early June, which was the worst total since 1958.

GM sales in early June dropped 6.58 percent, to 100,967 from 108,082 last year. Compared with the final May period, they were down 25.76 percent from 136,006, and they were down 29.90 percent from mid-May's total of 144,032, GM's best period this calendar year. The 12.8 financing was in effect during the May period.

Ford was up a healthy 18.57 percent the first June period, with sales of 47,881 compared with 40,383 a year ago. Chrysler sales climbed 4.77 percent, to 20,622 from 19,684.

Volkswagen of America, its sales down every period this year, suffered a 38.39-percent sales decline, to 1,778 from 2,886 in 1981. Estimated sales of American Motors passenger cars were 2,400, down 45.45 percent from 4,400.

• GM slipped to 58.14 percent of the market from its year-ago chunk of 61.62 percent. It was the corporation's smallest share since early April when GM sales accounted for 57.04 percent of the market.

Ford earned 27.57 percent, up from 23.02 percent. Chrysler was up to 11.88 percent from 11.22 percent. VWoA stood at 1.03 percent, down from 1.64 percent, and AMC had an estimated 1.38 percent compared with 2.50 percent a year earlier.

Six of the 14 U. S. makes reported sales increases during the first June period. Chrysler more than doubled its total, going to 5,174 from 1,913 last year. Lincoln, too, far exceeded last year's sales, up 135.55 percent, to 3,425 from 1,454.

Ford was up 17.20 percent, Mercury was up 5.63 percent, Buick was up 16.84 percent and Cadillac was up 24.68 percent.

On the minus side were: Plymouth, down 18.54 percent; Imperial, down 36.35 percent; Dodge, down 4.35 percent; Chevrolet, down 18.36 percent; Oldsmobile, down 18.85 percent; Pontiac, down 12.03 percent; VWoA, down 38.39 percent, and AMC, down 45.45 percent.

With nine selling days in the period this year and last, the daily-selling rate was down 1.02 percent, to 19,294 from 19,493.

Year-to-date domestic sales totaled 2,657,042, down 10.42 percent from 2,966,089 in 1981.

DOMESTIC SALES

	June 1-10, 1982	June 1-10, 1981
AMERICAN MTRS.	2,400†	4,400†
Chrysler	5,174	1,913
Imperial	71	211
Plymouth	8,144	9,998
Dodge	7,233	7,562
CHRYSLER CORP.	20,622	19,684
Ford	33,778	28,820
Mercury	10,678	10,109
Lincoln	3,425	1,454
FORD MOTOR CO.	47,881	40,383
Buick	32,570	27,875
Cadillac	6,235	5,001
Chevrolet	29,876	36,597
Oldsmobile	19,980	24,620
Pontiac	12,306	13,989
GENERAL MTRS.	100,967	108,082
VOLKSWAGEN	1,778	2,886
INDUSTRY TOTAL	173,648	175,435

† Estimated

Small-truck price war heating up

By Matt De Lorenzo
Los Angeles Reporter

LOS ANGELES. — A price war in the compact-truck market is heating up with Nissan Motor Corp. in U.S.A. undercutting Mazda's $5,895 B-2000 with a $5,858 price tag on its Li'l Hustler.

The move forced Mazda to pull its television campaign touting the B-2000 as the lowest priced truck on the market.

Rod Hayden, senior vice president and general manager for Mazda Motors of America (Central), Inc., said his firm is studying the situation.

The $291 price cut by Nissan on its lowest-priced standard truck is part of an effort to combat the company's sagging sales in this market segment.

Through May, sales of Datsun trucks were down 25.8 percent, numbering 37,479, compared with the year earlier pace of 50,504.

Mazda, on the other hand, posted a 146.5 percent increase over the same period, moving 15,082 trucks, up from 6,118 units a year earlier.

Nissan's lowest - priced - truck campaign broke through a series of print ads which will be followed by television and radio spots in 61 major markets.

Although the L'il Hustler's price had been cut by almost $300, a company spokesman said the content level on the vehicle remains the same.

The truck is equipped with a 2.2-liter four-cylinder engine, four-speed manual transmission, power front disk brakes, maintenance-free battery and one-hand tailgate release.

• Mazda's entry has a 2.0-liter four-cylinder engine, five-speed manual, carpeting, tinted glass, steel-belted radial tires and one-hand tailgate release.

Part of the low prices on small trucks at both Nissan and Mazda may be attributed in part to tighter dealer margins.

Nissan's discount is about 11 percent, while Mazda's is in the neighborhood of 10 percent. Isuzu, which does not have a

Continued on Page 42, Col. 4

Nissan's financing unit opens 1st U. S. branch

CARSON, Calif.—Nissan Motor Acceptance Corp., financing subsidiary of Nissan U.S.A., has opened its first branch office. The branch is at 2050 W. Chapman Ave., Orange, Calif.

NMAC was formed the first of this year by Nissan U.S.A. and its parent company, Nissan Motor Co., Ltd., of Japan, to provide wholesale and retail vehicle financing for Datsun dealers.

It is the first wholly owned financing subsidiary established in this country by an import automobile company, Nissan said.

Initially, the finance company is concentrating its efforts in Southern California and will expand to serve Datsun dealers nationwide as rapidly as its resources allow.

NMAC issued $5 million in commercial notes on May 10 through brokers A.G. Becker, Inc. The authorized capital of the financing company is $50 million.

In addition, NMAC announced the signing of three Datsun dealers: Brea Datsun, Brea, Calif.; Coast Datsun, Long Beach, Calif., and La Puente Datsun, La Puente, Calif.

Mileage rankings inaccurate, report finds

Energy Dept. rips EPA numbers

By Jake Kelderman
Washington Staff Writer

WASHINGTON.—In the long-running battle over just how accurate EPA fuel-economy numbers really are, another peg has been added to the side saying "not very."

The discrepancy between real and measured economy is highly dependent upon the fuel delivery and drive system in a vehicle, according to the latest study from the Department of Energy.

In it, researcher Barry McNutt and aides suggested 1981-model vehicles on average are likely to provide 18 to 24 percent less mileage than measured by the EPA.

This shortfall is likely to be greatest (29 percent) for cars with rear-wheel-drive and automatic transmissions and lowest (9 percent) for front-wheel-drive cars with diesel engines and manual transmissions, according to the study.

For consumers this means there is still no certainty in the EPA Fuel Economy Guide, and

For a more benign view of ratings, see Page 20.

counting on it to rank vehicle fuel economy accurately is nearly hopeless, McNutt said.

In order to rank the on-road fuel economies of two vehicles with a 90 percent probability of success, they must be separated by 4.8 MPG or more, McNutt said. He said an adjustment for technologies might help but would lower the MPG spread only to 4.1 MPG.

The new findings by McNutt refined his earlier work which had indicated that the difference, particularly in highway driving, could be as high as 5 MPG between EPAs measured figure and actual driving results.

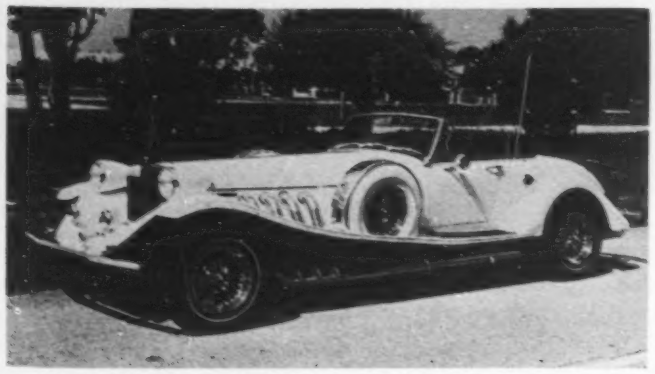
McNutt had said at that time the discrepancies undermined consumer confidence in EPA's fuel-economy labeling program and U. S. efforts to reduce fuel consumption.

In response, EPA undertook an analysis of its fuel-economy program and instituted changes, not the least of which was a requirement that manual-shift vehicles must be shifted at certain speed increments.

Those changes led to a decline in the mileage discrepancy in the 1979 model year, McNutt said. But the shortfall then began to increase again and the discrepancies for 1980 and 1981 were "significantly above 1979 levels," he said.

McNutt said he is a little

Continued on Page 6, Col. 5



Rumbleseat Roadster

Johnson Motor Cars, Ltd., Inc., Fort Lauderdale, Fla., is producing, at four units a month, the Johnson Rumbleseat Roadster. Powered by a Cadillac engine and drivetrain, each roadster is equipped with functional rumbleseat, power steering and brakes, automatic transmission, cruise control, hardwood dash and trim and removable hardtop plus a convertible top. Available through a special dealer network, the roadsters retail for $54,900 each.

Local-content and reciprocity bills debated

House-Senate tug-of-war on trade

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—Trade legislation has started to move as the 97th Congress goes into its final stretch.

Two weeks ago, a House Commerce Subcommittee reported a UAW-backed local-content automobile bill with such extraordinarily high content and such a short leadtime that it drew adamant opposition from the Administration.

The full House Energy and Commerce Committee, chaired by Rep. John Dingell, Michigan Democrat and a supporter of the measure, is not expected to address the bill until after the July 4 recess.

Meanwhile, last week, the Senate Finance Committee reported to the floor a watered-down trade reciprocity bill that received Administration endorsement.

Numerous similar measures to try to open foreign markets to U. S. products and services exist on the House side. But there is nothing that is sufficiently careful not to violate the General Agreement on Tariffs and Trade (GATT) or offend the Japanese before the November "ministerials" in Geneva as to be acceptable to the free-trading Reaganites.

• These two trade bills — one vehemently opposed by the Administration and the other accepted — are in a very general way mirror images. The UAW-backed bill — replete with 214 sponsors in the House but only 14 on the Senate side—is strong medicine.

The reciprocity bill, pushed mostly by Republican Senator John C. Danforth, up for election in Missouri which has both Chrysler and General Motors plants, is so weak as not to be of special concern to the auto industry.

The local-content bill that is strong in the House would exclude imports or force them to build plants in the U. S. The weak Senate reciprocity bill might to some extent open the Japanese market to American firms exporting or operating there.

The local content bill would require that 1983-model cars and light trucks sold in the U. S. have 8.3 percent local content for companies which sell more than 100,000 units. The percentage would rise in increments to 30-percent local content for companies selling more than 500,000 units.

The bill calls for increased local content in the 1984 and 1985 model years, so that companies selling 100,000 units would eventually be required to have 25-percent local content. Those selling 500,000 would have to have 90 percent local content.

Violation would result in a stiff import quota the following year. The bill would also mandate that auto makers certify U. S.-made parts as replacement parts for their vehicles.

The Senate reciprocity bill differs in its replacement-parts section and would include Canadian labor — but not Canadian parts in its definition of "domestic."

The reciprocity bill would give the President authority to negotiate lower trade barriers but would require attempts to open a foreign market before the U. S. retaliates. The language was considerably weakened from earlier versions which could have allowed an emotional Congress to react in hopes of reducing high unemployment at home.

It would apply to all countries—not just Japan.

To hamper the local-content

Continued on Page 8, Col. 1

Aluminum casting plant is first scheduled shutdown since new UAW pact

Ford to close Sheffield plant in '83

By Marjorie Sorge
Labor Editor

Ford Motor Co. will close its Sheffield (Ala.) aluminum casting plant in the fall of 1983, laying off about 1,000 hourly and salaried workers.

It is the first plant closing scheduled at Ford since the new contract was signed with the UAW in February. In that contract, Ford promised to do a feasibility study on the continuing operations at Sheffield. Last November, the company announced the plant was to be closed in a two-year phaseout.

Those laid off at Sheffield will benefit from the new Guaranteed Income Stream (GIS) negotiated in the UAW - Ford agreement.

It gives laid-off hourly workers with 15 years seniority at least 50 percent of their hourly rate until age 62 or retirement. The rate of payment increases one percentage point for each year of seniority over 15 years up to either 75 percent of the weekly wage or 95 percent of the weekly after-tax base, minus $12.50.

Under the GIS, life and health insurance benefits are continued and laid-off workers receive pension and other retirement benefits they would have earned to the day of retirement had they continued working.

The average seniority of workers at Sheffield is 18-19 years.

According to company insiders, Ford had to weigh the cost of the closing, specifically the GIS program, and the lower cost of continuing the operations because of the concessions made in the international agreement.

Sheffield is currently Ford's sole U. S. aluminum casting operation. Company insiders say some of that work will be transferred to the Ford Windsor Essex casting plant, which is about one-fourth the size of Sheffield. The rest will be outsourced to suppliers such as General Motors and Doehler-Jarvis.

Sheffield makes aluminum castings for transmission cases, pistons, intake manifolds and engine front covers and is the sole supplier of the front-wheel-drive transaxle cases for the Escort and Lynx.

Last fall, Ford asked the 940 production workers at Sheffield to take a 50 percent cut in wages and benefits in exchange for profit-sharing in order to keep the plant open. The local union rejected that proposal.

Later, Ford told the production workers they could buy the operation under an Employe Stock Ownership Plan (ESOP), rather than see it closed. The workers rejected that proposal.

A phase-out was scheduled to begin in early 1982, but that was postponed when contract talks started and was put on the back burner while the study was being conducted.

Ford has said the Sheffield plant has lost money every year since 1974 and has wages and benefits that are higher than those of competitive firms. The company said those benefits, along with contractural work rules, caused the plant to lose $3 million a month.

There are 29 skilled trades classifications at Sheffield, compared with two at Essex, sources said.

GM orders tools for CVT line at French plant

DETROIT. — General Motors has placed an order with a local machine-tool firm that could put a continuously variable transmission for small cars into production in about two years.

A spokesman for Joseph F. Lamb Co., Warren, confirmed that GM placed a preliminary order for a line for its Strasbourg (France) plant, which produces transmissions for Opel cars. Production in the U. S. is also being considered by GM, he said.

The Lamb line would cut metal for the transmission housing.

The engineering is expected to start soon at Lamb, he said.

It generally takes Lamb 12 to 18 months to engineer and build a line. Actual production of the housings in France, therefore, could begin in about two years.

The CVT is expected to improve fuel economy in the range of 15 percent. It replaces today's system of gear shifting with a belt that adjusts ratio to torque, thereby providing smooth acceleration and improving efficiency.

Apocalypse soon? Auto analyst says maybe this fall

By Edward Lapham
Financial Editor

While many Wall Street analysts are at least mildly optimistic about the sales and profitability outlook for U. S. auto makers, one voice in the wilderness continues to warn of a "potentially cataclysmic" collapse later in the year.

Arthur G. Davis, auto analyst for Prescott Ball & Turben, Cleveland, believes that the May sales upturn was a false recovery, with the possibility that domestic sales could collapse again in the fall.

Davis, who has been consistently more bearish than most of his colleagues, said he believes there are several key factors in the market which could presage another downturn in sales, and that enactment of import restrictions could give the domestic makers some room to raise prices and bolster profits but would significantly delay the real auto industry upturn.

In his June report on the industry, Davis acknowledged that there has been a "significantly improved perception of the U. S. auto industry by investors" due to reduced inventories, rebate-improved sales, stronger large-car sales and cost-cutting labor agreements, which have led some analysts to raise their earnings projections.

"We believe estimates for 1983 will be reduced significantly in the months ahead as a result of significant worldwide price cutting in the small-car market, higher costs resulting from reliquification of balance sheets, lower production estimates for 1983 as a result of higher import penetration and reduced U. S. demand," Davis said.

• He told AUTOMOTIVE NEWS last week he believes some upper-income buyers, who can best benefit, will come into the market after the July 1 tax cut goes into effect, just as the lower-income buyers bought in the spring during the rebate period.

"The response to the GM 12.8-percent finance program shows the upper-income buyer has been worried about the financial markets," he said. "These are buyers who never gave a damn about finance interest rates before."

Davis said there is a chance that some of the upper-income buyers "pre-spent" their tax cuts during the GM program, meaning demand could be less than anticipated. He also said that rapidly rising gasoline prices in the summer could dampen large-car sales.

On the small-car side of the market, Davis said he sees more difficulty.

He said potential buyers of small cars, currently about two-thirds of the market, will not create a substantial upturn in sales until "new products are perceived to be good values and that prices are not going to go lower, a massive reliquification of personal balance sheets takes place or interest rates have been substantially reduced and/or gasoline prices increase significantly again."

The analyst said there is still price resistance in the small-car segment and that the intermediate car segment has fallen off in recent months. He said this is important because "Detroit's newest offerings" are in this segment.

"We believe there is a distinct possibility of a third dip in auto sales in late-1982 or early 1983, caused by the lack of consumer and business liquidity and an expected collapse in used-car prices in mid-1982," he said.

The gloomy sales scenario could be further darkened by a "world trade war" in econobox markets, Davis said. He assumes President Reagan will veto any import-restriction legislation and the U. S. market will be a "free market" after the current voluntary restrictions lapse next April.

Using that assumption, Davis has reasoned that the Japanese will gear up for that date in the small-car segment by readying new high-technology products and moving to cut prices and reestablish clear price leadership. This would put renewed pressure on the domestic makers to cut their small-car prices.

• He said he believes "upper-end" prices at '83 model introduction will be raised an average of about $500 but that small-car pricing action will be delayed until after the import-restriction matter is resolved.

"The U. S. car makers will wait to see if the imports get shut out before cutting prices,"

Continued on Page 42, Col. 3

index

Auction reports	34
Automotive World News	14
Classified advertising	35
Editorial page	10
Production by makes	46
Registrations, car, truck	22, 33
Truck highlights	22

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Automotive World News

Is there a Bedford in GM's future?

By Richard Feast
European Editor

Delivery of Bedford's 1.5 millionth export vehicle in mid-May came at a time when the British firm's role within General Motors' new worldwide organization is being decided.

How it will pan out has not been revealed, but John Fleming, Vauxhall Motors Ltd.'s new chairman and managing director, stresses that his company's Bedford Division will play a major role.

GM's worldwide medium and heavy truck and bus operations will have input from GMC Truck & Coach and Chevrolet Divisions in the U. S., Bedford in Europe and Japan's Isuzu Motors Ltd., in which GM has a 34.2 percent financial interest. It is expected to result in international designs and maximum use of common components.

Fleming, an American whose background includes sales and marketing positions at GM's Oldsmobile Division in the U. S., characterizes Bedford's 50 years of experience as a heavy truck manufacturer and exporter as "ensuring" its contribution to the rationalized future of the world's largest producer of motor vehicles.

GM currently sells GMC and Chevrolet (U. S.), Bedford (British) and Isuzu (Japanese) trucks and vans in a number of countries.

Bedford's export earnings during the past decade—which includes boom year 1978 as well as the recent recession—totaled over $2.1 billion.

The 1.5 million exports—approximately 1.25 million trucks and 250,000 vans—represent almost half of Bedford's total production of commercial vehicles.

The milestone truck was one of a $3.6 million order for 60 TM 4x4 units received from Abu Dhabi in the United Arab Emirates. The truck is a civilian four-wheel-drive derived from a military version developed by Bedford, a large defense contractor.

The Bedford commercial vehicle operation traditionally has been the strength of Vauxhall Motors; its most recent losses are attributed to passenger car operations.

However, tremendous improvement in Vauxhall car sales this year—based on the success of the locally assembled Astra (Opel Kadett) and Cavalier (Opel Ascona)—may change this. It coincides with a continued slump in worldwide demand for heavy trucks, which has hit Bedford the same way it has other truck makers.

In the immediate future, therefore, it looks as though Vauxhall's promised drive back to profits will be centered on passenger car operations.

The commercial vehicle business has been thin. In the past two years domestic demand dropped by 25 percent. More recently, Bedford's largest single export market, Nigeria, was hit by a fall in the price of its oil exports, and the impact has not yet been fully felt.

But the company is fighting back. General Export Sales Manager David Butlion reports two new international zone offices have been established in key export areas, Dubai and Singapore.

It is in less developed areas of the world such as those that European truck makers are meeting the Japanese challenge.

Diminished demand has taken its toll on production levels at England's Dunstable truck factory. The TM (16 to 44 tons) is being made at the rate of eight a day compared with single-shift capacity of 32. A senior executive says he would be "happy" to see output of 20 a day.

In a separate area, other models are being produced at a rate of 48 a day compared with single-shift capacity of 120. This section is concerned mainly with production of the TK and TL, which account for around 80 percent of output, plus knock-down kits for the TJ and bus production.

Bedford export vehicle 1.5 million comes off the line at Dunstable, England. On the podium is Vauxhall Motors chairman and managing director John Fleming, second from left. On his left is Abu Dhabi dealer Omeir Bin Youssef, and on his right is general manager Fathi Elwan. At the microphone is Norman Lamont, British industry minister.

The TK and TL have broadly similar weight limits (5.7 to 16.5 tons), the TK being an older, less sophisticated vehicle. The TJ, into its fourth decade, has been the mainstay of much of Bedford's export business.

Bedford light vans and pickups are made at passenger car assembly facilities at Luton. In what is a sign of the times, Bedford sources its light and four-wheel-drive pickups from Isuzu in Japan.

The return of the sporting Bentley

Mulsanne Turbo sales will begin in September.

By Richard Feast
European Editor

Deliveries of the new Bentley Mulsanne Turbo, announced at the Geneva auto show in March, start in September.

British manufacturer Rolls-Royce Motors Ltd., forecasts sales of 100 this year, and double that in 1983.

At prices in its country of origin of about $105,000, the Mulsanne Turbo should contribute handsomely toward its upkeep in the Rolls-Royce stable.

It is priced $11,700 above the regular Mulsanne, a Bentley equivalent of the Rolls-Royce Silver Spirit which was introduced at the 1980 Paris auto show.

The Mulsanne Turbo will be sold in all but four of the company's export markets. Those four are the U. S., Canada, Australia and Japan.

It is hard to understand why Rolls-Royce should ignore North America which last year accounted for 37 percent (1,197 units) of the company's total sales and brought in $77 million in revenue.

The initial answer is that the turbocharger system is on the carburetor engine. It is not on fuel injection engines which sell well in the four countries.

Still Rolls-Royce is trying to generate North American interest. It went to the trouble and expense of flying U. S. reporters to preview the car in the Le Mans area of France in May.

Le Mans was chosen because of Bentley's historic connections with the race track. The legendary "Bentley Boys" won five 24-hour races there in the 1920s and '30s.

Mulsanne is the name of the long straight which is the fastest part of the Le Mans circuit. In driving the Bentley Mulsanne Turbo, it is easy to whisper up to the car's maximum speed of 135-MPH on this section.

The Turbo represents a return to the sporting Bentley, last marketed 30 years ago with the R-type Continental. Since then Bentleys have been simply badge-engineered Rolls-Royces.

The Turbo blows away any cobwebs which might have gathered on that image. It is extremely fast, with performance to match the best Mercedes-Benz or Jaguar V-12. Yet it is quiet and smooth—a sports sedan for a gentleman rather than a macho machine for a hairy chested brute.

A Garrett AiResearch turbocharger and other engine and transmission modifications add 50 percent power output, the company says, without quoting horsepower figures.

Speed governed down to 135-MPH, acceleration from zero to 60 in 7.4 seconds and from 50 to 70 in 5.5 seconds indicate the 2.5-ton Mulsanne is propelled by considerable power and torque output.

However, statistics from a West German source indicate the regular carburetor Mulsanne V-8 produces 198-HP and the turbocharged version 298.

Apart from raising the final drive ratio, little else was done to the Turbo version. Suspension, brakes and steering are the same, and the only visual differences are the emblems and radiator grille, which is painted the same color as the body rather than chrome-plated.

Another new feature is high speed-rated Avon Turbosteel radial tires specifically developed for the car.

There are small improvements to gasoline economy too. Overall, there is a 5 percent gain over the normal Mulsanne, to the equivalent (in U. S. gallons) of 12.9-MPG. There are gains at constant speeds, but a small decrease on the urban cycle.

Fuel consumption never has been a Rolls-Royce strength. In the past it has not mattered, but now the company is moving in the direction of gas saving. The next advance will come in the mid-'80s, when a revised version of the current model appears.

Toward the end of the '80s, an all-new generation of Rolls-Royce models will appear. Because they will be much lighter weight, it is unlikely that they will be powered by the current 6.8-liter V-8. A six-cylinder, possibly turbocharged, is more likely.

Although current models are very heavy, it will be hard for Rolls-Royce to shed weight the way other auto makers have. Rolls engines, gearbox casings, back axle housings, doors, trunk lids and hood already are made of aluminum.

Weight reduction will be achieved, says Jack Read, project engineer responsible for the Turbo, by "more detailed calculation at the design stage."

Auto sales bombed out before Falkland war

The Falkland Islands conflict in the South Atlantic cannot have done much to generate auto sales in Argentina, already at their lowest level in recent times.

In the first quarter of 1982 registrations plunged by almost 63 percent to 23,216. On an annual basis that would result in fewer than 100,000 units, compared with 175,526 last year and a record 249,150 in 1980.

The recession, collapse of the local currency and rampant inflation have taken their toll.

A government decision to eliminate tariff barriers between 1976 and 1980 also led to a thinning out of local industry and growth for imports.

Citroen and General Motors pulled out of manufacture in the country, and Chrysler sold out to Volkswagen. More recently (1981), Peugeot abandoned the joint manufacturing deal with Fiat that had been formed only a year earlier.

The result is just four domestic auto manufacturers in Argentina—Ford, Fiat (which still assembles some Peugeots), Renault and Volkswagen. Despite the small market, they have had to concede about 20 percent of sales to imports.

Political considerations aside, Argentina's immediate automotive future does not hold much hope, and European makers are quick to point to performances of their Argentine and Brazilian subsidiaries for much of their current financial problems.

First-quarter new car registrations in Argentina were:

	1982	1981
Fiat	5,513	11,010
Ford	7,050	17,484
Renault	6,944	16,212
Volkswagen	2,059	16,277
Imports	1,650	11,119
Total	23,216	62,102

Japanese car sales slip in W. Germany

Has West Germany done what most nations around the world have failed to do—stem the increase in Japanese registrations without blatant resort to tight quotas?

First-quarter 1982 returns from Germany's *Kraftfahrt Bundesamtes* indicate Japan's market share was sliced by nearly 2.5 percent compared with last year. At the same time the Japanese lost their leading importer status in West Germany to the French.

West German motor industry officials say it is too early to be sure the Japanees tide has turned, pointing out that preliminary figures for April show a rise for Japanese makes.

In the first three months of this year, combined Japanese registrations were 49,105, a market share of 8 percent and a fall in volume from the same period last year of 28.6 percent.

Total registrations in West Germany last January - March were down 7.3 percent from last year.

Registrations of French cars fell by 9.9 percent (to 51,385 and 8.4 percent market share). The Italians managed an 8.4 percent volume improvement to 31,769 (5.2 percent market share).

Imports in West Germany took 24.1 percent of the market, four points lower than the opening quarter of 1981.

Registrations Overseas

WEST GERMANY

	3 mos., 1982	3 mos., 1981
CARS		
Alfa Romeo	2,960	3,327
American Motors	61	164
BL Cars	1,078	1,509
BMW	34,544	34,019
Daihatsu	1,502	2,443
Datsun	9,310	11,352
Fiat Auto	28,561	25,471
Ford	76,131	99,065
General Motors	116,579	107,568
Honda	7,923	10,133
Lada	1,763	1,467
Mazda	9,013	13,322
Mercedes-Benz	61,754	66,262
Mitsubishi	8,353	13,721
Nuova Innocenti	199	497
Peugeot SA	26,973	27,652
Citroen	11,851	11,699
Peugeot	6,430	7,647
Talbot	8,692	8,306
Porsche	2,600	2,690
Renault	24,450	29,598
Saab	792	712
Skoda	416	500
Subaru	1,098	445
Suzuki	2,417	1,963
Toyota	9,489	15,441
VAG	181,690	187,551
Audi	34,720	43,739
Volkswagen	146,970	143,812
Volvo	2,904	3,720
Others	324	833
Total	612,821	661,425

JAPAN

	4 mos., 1982	4 mos., 1981
Cars		
Daihatsu	19,985	21,178
Fuji	18,863	15,856
Honda	55,887	38,951
Isuzu	14,182	15,096
Mitsubishi	63,604	67,311
Nissan	223,934	211,256
Suzuki	15,048	16,116
Toyo Kogyo	56,139	50,058
Toyota	292,907	265,537
Imports	8,402	10,133
Total	768,951	711,492
Trucks, buses		
Daihatsu	58,229	55,043
Fuji	45,886	34,054
Hino	11,191	11,495
Honda	29,140	30,496
Isuzu	31,229	32,727
Mitsubishi	71,214	72,552
Nissan	80,694	96,430
Nissan Diesel	5,559	6,474
Suzuki	91,135	81,036
Toyo Kogyo	35,582	42,210
Toyota	93,814	108,044
Total	553,673	570,606
Total vehicles	1,322,624	1,282,098

UNITED KINGDOM

	3 mos., 1982	3 mos., 1981
Cars		
Alfa Romeo	3,267	2,072
BL Cars	93,468	112,234
BMW	8,891	6,496
Colt	2,374	4,866
Daihatsu	1,785	805
Datsun	30,346	36,167
Fiat Auto	19,361	21,110
Ford	174,216	171,242
FSO	955	615
General Motors	65,610	47,972
Honda	4,529	5,921
Hyundai	742	.....
Jeep	2	29
Lada	5,430	4,515
Lotus	153	87
Mazda	4,269	6,730
Mercedes-Benz	5,033	4,181
Panther	13	15
Peugeot SA	35,690	44,751
Reliant	51	163
Renault	25,312	27,354
Rolls-Royce	353	557
Saab	3,554	3,590
Skoda	2,438	2,212
Subaru	880	1,031
Suzuki	1,040	843
Toyota	8,306	6,931
VAG	31,707	27,582
Volvo	18,902	15,068
Zastava	684	.....
Others	1,433	1,405
Total	550,796	556,544

FRANCE

	2 mos., 1982	2 mos., 1981
Cars		
Alfa Romeo	4,093	3,095
BL Cars	3,244	3,274
BMW	4,554	3,407
Datsun	2,059	2,720
Fiat Auto	13,839	10,868
Ford	17,535	15,440
General Motors	6,762	4,392
Honda	800	300
Lada	2,946	1,585
Mazda	1,878	673
Mercedes-Benz	2,822	2,358
Mitsubishi	654	630
Peugeot SA	93,879	88,618
Citroen	41,182	37,620
Peugeot	35,667	36,953
Talbot	17,030	14,045
Polski	211	184
Porsche	217	189
Renault	120,192	109,154
Saab	9	38
Skoda	591	488
Toyota	1,412	2,212
VAG	17,763	18,174
Volvo	1,532	1,273
Zastava	154	193
Others	11	22
Total	297,185	269,310

Production Overseas

HOLLAND

	3 mos., 1982	3 mos., 1981
Cars		
Volvo Car	77,922	80,779
Trucks, buses		
Accles & Pollock	51	.....
Bova	148	115
Daf	11,084	15,022
Den Oudsten	16	2
Ford	6,219	10,507
FTF	18	31
Ginaf	56	87
Gova	17	28
Leyland	52	77
Ram	.....	4
Scania	5,439	5,862
Spijkstaal	137	170
Terberg	275	197

Alliance is part of a grand plan

By Richard Feast
European Editor

Pierre Tiberghien, recently appointed joint director general of the Renault car division, is philosophical about the French firm's 1981 loss of $112.5 million.

"It boils down to one thing," he declares. "We lost 240,000 vehicles compared with the previous year, and 11 percent of production in a big company makes a lot of difference.

"Some years we make profits. Some years we have light losses. Some years we just break even. But we are constant in our investments.

"Investment, in the past year, represented seven percent of our total turnover. Good year, or bad, it's the same, so that our muscle will still be the same, regardless of the good and bad."

Production totaled 1,811,626, after hitting two million for the first time in 1980. Renault's figures indicate 84 percent of its 1981 production was in France —a situation which will change considerably next year with the start of Alliance (R9) output in the U. S. this year.

Of total production, Renault 5 accounted for 37.9 percent (587,000), and the R18 22.1 percent (342,000).

From introduction in August, nearly 74,000 R9s were made in 1981 or 4.7 percent of production.

The 9 recently went into production at Palencia, Spain, with volume prospects of up to 70,000 a year.

Production of the Alliance—pronounced *Alley-arnce* by the French—begins this month in the U. S.

Tiberghein reveals that Alliance will differ from the 9 in bumper size, trim and in having a fuel injection engine. He also notes a difference in spare wheel location — underneath the trunk on the outside in Europe, and inside the trunk in the U. S. It also will be inside the trunk for models sold in Canada, Mexico and Venezuela.

Tiberghien stresses the 9 will not cause the demise of the R14, a two-box hatchback of similar proportions: "Sales of the R14 may have dropped on account of introduction of the R9, but this middle-class segment is very big — the only one in Europe that has increased.

"We had only a two-box model to offer. We now have achieved our goal with a three-box style. We want to stick with this advantage."

A colleague cites a precedent. "We had the R4 that for 21 years was rather successful. We planned, at a certain time, a Renault 6 to follow the R4. But the R4 outlived the R6. We are spoiled. We can't imagine a car can be obsolete in nine or 10 years."

• The move into manufacturing in North America is another step in a process of moving outside France which began for Renault in the early 1950s when it licensed Hino, of Japan, to build a Renault car, and took a minority interest in a Spanish maker.

While the Japanese deal has long ended, Spain has blossomed, to the extent that it is now fully part of the Renault group and the leading manufacturer in Spain.

In the late '50s and early '60s Renault moved into Argentina, Brazil (later sold to Ford in 1967), Chile and Mexico.

Renault recognizes its absence in Brazil. "It's more a gap in the possibility of doing anything there. Certainly it will be important for Renault. We know it's necessary to be in Brazil," says Tiberghien. "It would cost a lot of money."

Business prospects in South America are not good at present. In Argentina, where Renault recently overtook Ford as market leader, it has suspended production at the Cordoba factory because of the recession's impact on new car sales.

A senior Renault executive notes, "One of the strengths of Ford and General Motors in South America is based, in great part, on their truck business. It's another type of operation we would love to develop in the future."

Renault also reveals that when viewing possible bases for assembly in Asia it looked at Taiwan (where the 9 will be assembled) and Korea.

Says Tiberghien: "We tried to have an agreement with (Korea's) Hyundai but did not succeed. They wanted a replacement for the Pony, and we discussed the possibility of them producing the R9. But, because of political and economic crisis, they stopped conversations with us." The contract with Hyundai apparently went to Mitsubishi.

• Tiberghein, a technical man by background, was a director of research and design at Renault before moving into a senior management role. He is taking a special interest in the vehicle Renault is designing in a government-sponsored project to produce a car capable of running 100 kilometers on three liters of fuel.

That is the equivalent of 78.4-MPG (U. S.) and is based on a one-third mix for the ECE urban/56/75-MPH test cycle. The delivery date is 1985 for the car, known as the Vesta. (Peugeot is working on a model known as the Economy.) The work is financed 50/50 by the auto makers and the government. Renault's vehicle features a small diesel engine — probably turbocharged, if Renault's recent record is an indicator.

Output drops, Renault sees red in 1981

PARIS. — Renault Group has reported a net loss of $112.5 million for 1981 compared with net income of $106.4 million in 1980. Total revenues for the 1981 rose 10 percent to $14.6 billion.

Renault said the loss for 1981, which is called "one of the most difficult years for the world auto industry," was the result of decreased volume, increased competition in world markets and a sharp rise in financing costs.

The company said 1981 production of passenger cars and light commercial vehicles declined 11.8 percent to 1,811,626 from the record total of 2,053,000 in 1980.

Renault also said its net loss for 1981 reflected its share of the $137 million net loss posted by American Motors, in which Renault has a 46.4 percent equity interest.

In 1981, total revenues from the automobile division rose 7.9 percent to $10.3 billion. French home market sales accounted for 49.4 percent of the total while export sales accounted for 50.6 percent.

Renault said its RVI industrial vehicle unit incurred a trading loss of $17.6 million and a net loss of $51.3 million, due to extraordinary expenses, despite an 11.8 percent increase in sales to $2.1 billion.

The French auto maker said its financial subsidiaries realized a net profit of $39.1 million compared with $36.3 million in 1980. Total revenues for the finance units were $1.4 billion last year compared with $1.1 billion in 1980.

Renault said that despite the negative results for 1981, it expects to maintain a "record level" of investment. The company said its 1981 capital expenditures totaled $1.3 billion and should total $1.5 billion this year.

Rover moves in new directions

Launch of the High Capacity pickup and County station wagon is the third stage of Land Rover's 200-million-pound ($360 million) investment program by BL Ltd.

Later this year the British company's Range Rover will be offered for the first time with an automatic transmission option.

Subsequently there will be another model to fill the gap between the utilitarian Land Rover and more luxurious Range Rover. Details are secret, but insiders say it will be built around a Land Rover with the coil springs Range Rover.

Towards the end of 1983 the company will start production at Acocks Green of a V-8 diesel Perkins is developing as part of a $20 million project.

Earlier stages in the Land Rover product development program included a V-8 gasoline Land Rover in 1979 and four-door Range Rover in 1981.

The automatic to be introduced this year reportedly is a Chrysler unit with a lock for first gear — vital for off-road work.

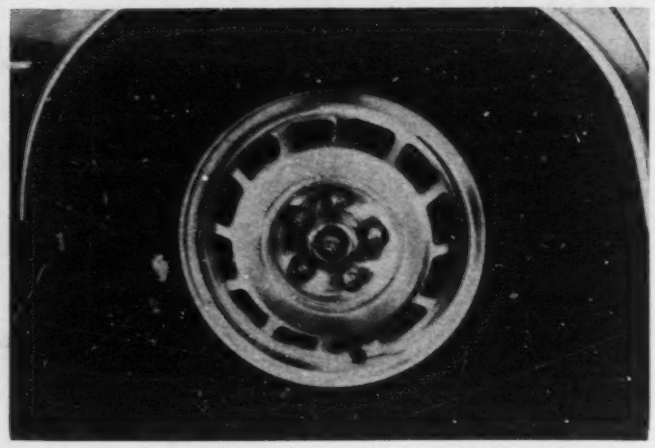
Last year the off-road division of BL made 10,441 Range Rovers — up from 9,684 the previous year — and 41,060 Land Rovers (51,378 in 1980).

Those figures reflect a worldwide downturn in demand for vehicles. More importantly, says the company, its output per worker has improved, with a manpower reduction of more than 20 percent to 10,800.

At present Land Rover works a single shift plus Saturday mornings. Increased demand could raise the prospect of double-shift operation — a radical step until it is known for certain that demand could be sustained.

Fully committed engineering resources mean that the earliest Land Rover could contemplate an entry in the U.S. market — the largest in the world — would be 1984. Canada, however, could provide an earlier stepping stone.

Less bounce in rubber market



Radial tires and smaller cars are helping to slow the growth of world rubber demand.

Market and product changes in the automotive business are affecting the worldwide rubber industry.

Forecasts by the International Institute of Synthetic Rubber Producers Inc. (IISRP), however, indicate moderate increases in demand for that material in both North America and Western Europe throughout this decade.

That's the gist of a long range industry forecast for synthetic rubber consumption says M. J. Rhoad, managing director of the IISRP, whose estimates are compiled by statistical committees in North America and Europe.

Projected is a 2.8 percent average annual growth rate for synthetic rubber in the U.S. and Canada from 1981 to 1990. Total rubber consumption (synthetic plus natural) matches this growth rate, with synthetic rubber continuing to hold approximately a 75 percent share.

During this decade the percentage of total rubber going into tires and tire products will decrease from 63.3 to 62.4 percent in North America, it's predicted. Longer wearing radial tires, along with smaller tires for smaller cars, contribute to the projected slower growth rate in tire rubber demand.

Steady recovery of both the U.S. and Canadian economies after poor showings in 1981 fourth quarter and 1982 first quarter is expected to result in a gain in rubber consumption of 4.9 percent in 1982 over 1981. After 1982, moderate growth is projected to 1990 for both tire and non-tire segments of the industry.

In its 10-year forecast for rubber consumption in Western Europe, the IISRP notes that since its last study, the recession in Europe "has deepened both in terms of effect on the market and time span." The longer term forecast consequently has been reduced from previous 1.8 percent annual growth rate for total rubber consumption to 1.4 percent for the period 1980-1990.

An additional factor in the European forecast for particular polymers is the changing pattern of use in the automotive industry, expected to be effective by the middle of the decade.

The IISRP is an international industry association headquartered in Houston.

Total New Rubber Consumption Forecast For Western Europe

(Thousand Metric Tons)

	1980 Actual	1981 Estimate	1982	1985	1990
SBR-Solid	660	603	628	680	751
SBR-Latex	125	123	127	140	150
Polybutadiene	235	225	230	250	285
Polyisoprene	83	75	75	85	100
Ethylene-Propylene	118	118	122	145	150
Polychloroprene	89	86	86	87	88
Butyl	125	116	119	130	135
Nitrile-Solid	60	55	58	63	68
Nitrile-Latex	14	13	13	15	17
Other Synthetic	35	35	40	48	60
Total Synthetic	1,544	1,449	1,498	1,643	1,804
Natural Rubber	875	825	825	900	980
Total New Rubber	2,419	2,274	2,323	2,543	2,784
Synthetic Percent	63.8	63.7	64.5	64.6	64.8

Total New Rubber Consumption Forecast For U.S.A. and Canada

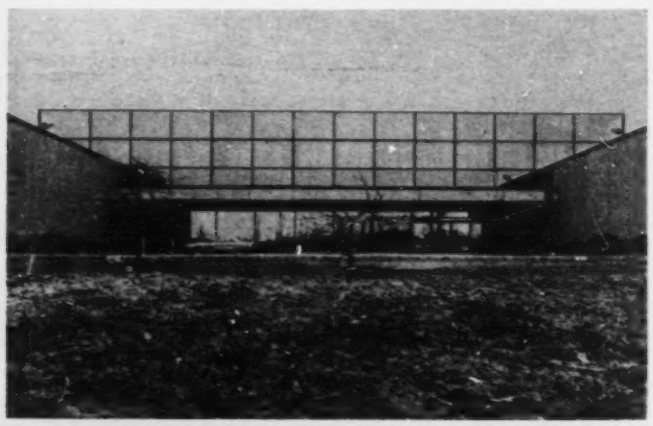
(Thousand Metric Tons)

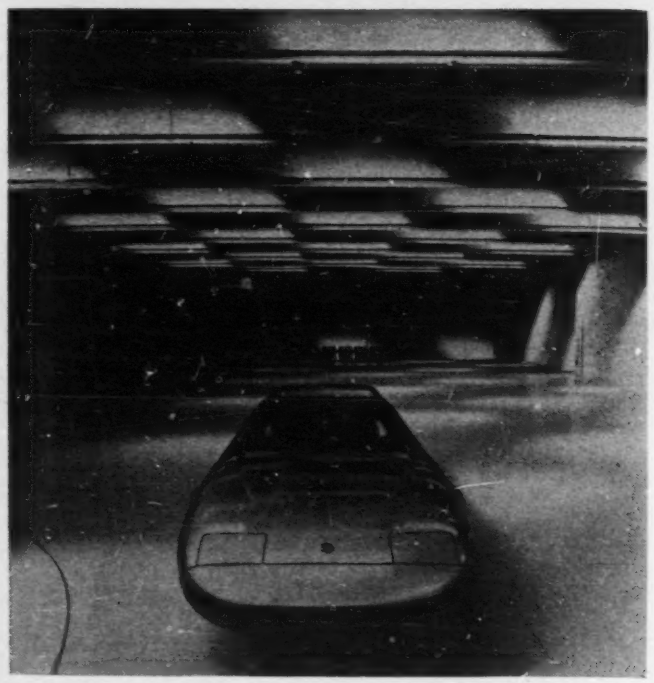
Type	1980 Actual	1981 Estimate	1982	1985	1990
SBR-Solid	990	1,032	1,081	1,164	1,250
SBR-Latex	123	123	128	140	156
Polybutadiene	356	386	406	444	498
Polyisoprene	66	59	63	74	89
Ethylene-Propylene	124	140	149	179	221
Polychloroprene	107	106	110	124	138
Butyl	144	144	150	162	178
Nitrile-Solid	59	62	67	75	82
Nitrile-Latex	7	9	9	10	11
Other Synthetic	52	54	58	68	85
TOTAL SYNTHETIC	2,028	2,115	2,221	2,440	2,708
Natural Rubber	667	714	748	832	925
TOTAL NEW RUBBER	2,695	2,829	2,969	3,272	3,633
Synthetic Percent	75.3	74.8	74.8	74.6	74.5

Rubber Consumption - U.S.A. and Canada

(Thousand Metric Tons)

	Actual 1980	Estimate 1981	1982	1985	1990
U.S.A.					
Natural	586	630	660	734	813
Synthetic	1,854	1,935	2,029	2,226	2,465
TOTAL	2,440	2,565	2,689	2,960	3,278
CANADA					
Natural	81	84	88	98	112
Synthetic	174	180	192	214	243
TOTAL	255	264	280	312	355
GRAND TOTAL	2,695	2,829	2,969	3,272	3,633





Space at Pininfarina (Industrie) SpA's research and study center was more than doubled early this year with opening of a new premises at Cambiano on the outskirts of Turin. The Italian producer of special and deluxe bodies retains its wind tunnel operation at Grugliasco, about a 20-minute drive away. The Cambiano building (top photo) is pictured before landscaping took place. The special Jaguar (bottom photo) will be housed in the facility's museum. Pininfarina was founded in 1930.

More plastic in Europe's cars

Western European automobile manufacturers are forecast to build their consumption of plastics from some 600,000 metric tons at present to nearly 915,000 tons in 1985 and just under 1.5 million tons by 1990.

Total value of the market will increase—in constant 1981 dollars—from $1.2 billion at present to some $3 billion by 1990, according to a study by Frost & Sullivan Inc.

The driving force behind this growth is the expanding role of plastics in automotive manufacturing. The average weight of plastics in European cars is expected to rise from 60 kilograms (132 pounds) in 1980 to 75 kg (165 pounds) by 1985 and 100 kg (220 pounds) by 1990.

At the same time, the automotive industry is expected to recover from its current depression, with production seen increasing from 10.4 million vehicles in 1981 to 12.5 million in 1985 and 14.8 million in 1990.

Growth of plastics in the smaller commercial vehicle market will be somewhat slighter over the decade, with consumption projected to rise from some 53,000 metric tons at present to 79,000 tons in 1985 and 111,000 tons by 1990.

While the commercial sector will remain a considerably smaller market for plastics than automotive, some developments are under way to increase demand. For example, consumption of plastic trim is on the rise as truck cabs become less spartan. Additionally, complete all-plastics cabs have been developed in the last 10 years, prodded by lower tooling costs for metals—particularly in large trucks with short production runs.

• The principal competition for plastics in automotive applications will come from steel and aluminum sheet, and aluminum and zinc castings, F&S says: "In the case of sheet form components, i.e., large body panels, non-structural items are governed chiefly by total cost considerations. For mass production of these components, plastics are more expensive than steels on raw materials cost and take longer to process.

"Aluminum alloys fall between most plastics and steels on both costs. In the case of doors, which have a side intrusion legislation requirement, metals have the added advantage of better energy absorbtion on sudden impact. Hence, the prospects for plastics coatings over large body panels are not good."

On the other hand, plastics are expected to continue to take over from metal castings and pressings in such "three-dimensional" parts as inlet manifolds and headlamp components.

Also, the move to improved aerodynamic styling on cars and trucks, to spur fuel savings, is making spoilers and wind deflectors important new markets for plastics, the report adds. F&S speculates the next major development in aerodynamics styling could be complete underbody shells, which could boost consumption of plastics in cars by about 25 kg (55 pounds).

Current applications of plastics in automobiles principally are divided between such established uses as seating and interior trim and the newer metal replacements. As demonstrated by the variety of bumper systems found on European cars, the competition between different plastics materials is intense.

Under - the - hood applications have been another significant growth area for plastics in recent years. For example, nylon has displaced pressed copper alloys in radiators and tanks, while a variety of plastics have replaced steels in heater boxes, air filter housings and ducts.

Analyzing the market by materials, F&S says polypropylene, nylon and polyurethane are expected to be the dominant materials and should enjoy the greatest growth during the decade. Thermosetting polyester, acetal, polycarbonate, modified polyphenylene oxide and polyethelene also are forecast to significantly increase their market shares.

Of the national markets, West Germany and France will maintain their dominant positions in the automotive industry and, with it, the largest markets for automotive plastics, F&S says.

IVECO adds water-cooled light 'Z' diesel

BLUE BELL, Pa.—A water-cooled light diesel has been added by IVECO Trucks of North America, Inc., to its line of light-duty "European-class" Z-Series vehicles.

The new model, the Z-110, is powered by an in-line, six-cylinder, 110-HP IVECO diesel which is teamed with a five-speed manual transmission. The vehicle has a GVW rating of 9,995 pounds.

The water-cooled diesel joins the Z-100, an air-cooled, five-cylinder, 108-HP Deutz diesel model introduced late in 1980. Both models are produced in Brescia, Italy, using components from IVECO plants throughout Europe.

Like the Z-100, the Z-110 is aimed at the emerging Class 2-through-5 markets in the U. S., according to James R. Bostic, IVECO/North America president.

Applications include leasing, for-hire transportation, agriculture, utilities, air-cargo delivery and construction and wholesale/retail trades such as contractors, automotive parts suppliers, florists and bakeries.

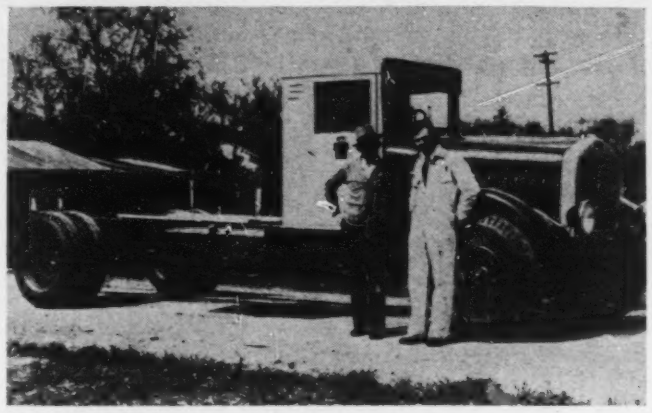
• In these applications, Bostic said, the Z-110 is expected to provide similar economy—up to 18 MPG—as the Z-100, with actual mileage varying by user.

Rated at 110 HP at 3,000 RPM, the Z-110's 333.5-cubic-inch engine develops a maximum 214 foot pounds of torque at 1,800 RPM, and has a 17-to-1 compression ratio, 4.06-inch bore and 4.33-inch stroke. It is equipped with a Robert Bosch direct fuel-injection pump.

"The engine, unlike many light-duty diesels, is fully rebuildable," said Bostic. "The crank is regrindable and the valve seats and inserts can be replaced. Dry-sleeve liners are standard.

"The engine carries a 100,000-

Continued on Page 32, Col. 3



Cummins' first diesel installation

Cummins Engine Co. installed its first truck diesel in this vehicle in 1932. The truck was owned by a California firm, Purity Food Stores. With the truck are Clyde Tatman, left, Purity driver who drove the vehicle from Columbus, Ind. (Cummins headquarters) to California, and Jay Chambers, Cummins service manager.

Diesel longest in use is sought by Cummins

COLUMBUS, Ind.—The longest-running Cummins engine still in active service is the target of a search by Cummins Engine Co. to commemorate the 50th anniversary of diesel trucking in America.

In 1932, Cummins and a California food-store operator cooperated in what the engine manufacturer calls the nation's first commercial installation of a diesel truck engine.

At that time, Cummins worked with the transport division of California's Purity Food Stores to install a six-cylinder diesel producing 125 HP. A few months later, Savage Transportation of San Francisco (now P.I.E.) purchased four Cummins-powered trucks.

From then until World War II halted civilian production in 1941, Cummins concentrated on truck diesels, with sales rising from 133 units in 1933 to more than 4,700 engines in 1941.

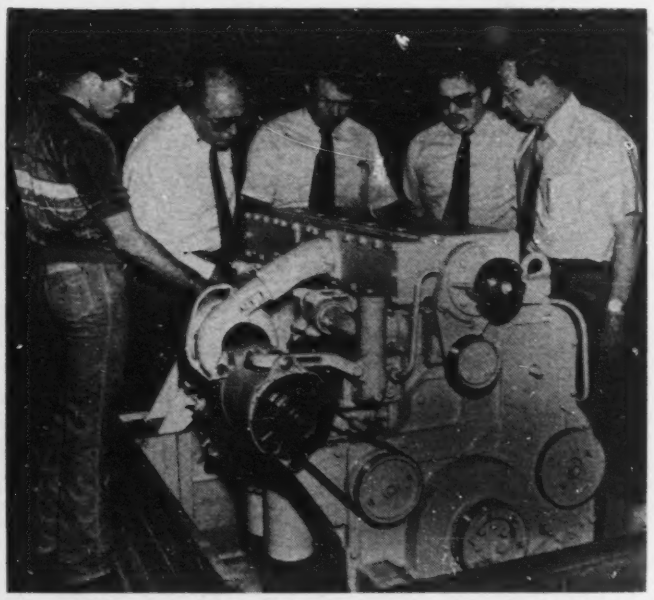
"We hope we can find some of those early engines still running," said Roger Howsman, Cummins vice president for North American field sales and service.

• Eligible entries in the hunt for the longest-running engine, according to Cummins, must still be used in daily or periodic commercial transport and carry verifiable information about the engine's age and serial number.

No museum or antique trucks are eligible, the company said, and all engines entered must have been sold originally for use in an on-highway licensed truck or tractor.

First prize in the search is a

Continued on Page 26, Col. 1



Inspecting new Cummins diesel

Inspecting a new Cummins L-10 diesel engine at International Harvester's Louisville foundry are, from left, Joe Booker, president, UAW Local 817; William Salzmann, foundry manager; Jim Gardner, raw materials director, Cummins Engine Co.; J. Thomas Ley, foundry sales manager, IH Manufacturing Group, and R. W. Dunham, the group's manufacturing operations vice president.

IH will produce engine blocks for Cummins

CHICAGO.—International Harvester will provide engine-block castings for Cummins Engine Co.'s NH line and the new L-10 heavy-duty diesel engines, according to J. Thomas Ley, foundry sales manager, IH Manufacturing Group.

The blocks will be produced at the IH foundry in Louisville, where thin-walled, high-technology diesel-engine block and head casting has long been a mainstay, he said.

"Our Manufacturing Group is emphasizing a buildup in OEM sales and this agreement with Cummins is one of the results," Ley said. "It is indicative of our capability as a service-oriented supplier of iron castings."

The Cummins NH line block displaces 14 liters, or 855 cubic inches, and accommodates in-line six-cylinder designs ranging from 300 to 475 HP. The engines are applied primarily in heavy trucks and a variety of construction, agricultural, marine and industrial power applications in worldwide markets.

The compact, lightweight L-10 represents Cummins' latest advancements in diesel design and technology and displaces 10 liters, or 611 cubic inches. Harvester is a major source for blocks for the new engine.

Ley estimated that production of Louisville foundry blocks for the L-10 and NH line engines will result in multimillion-dollar annual sales.

truck industry news

Light trucks continue big gains

Registrations in April highest since July, '80

April registrations of new trucks of all types in the U. S. were the highest for any month since July, 1980, and the April total was the greatest in two years.

During the month, according to R. L. Polk & Co. statistics, there were 218,651 new-truck

Table on Page 33.

registrations, an increase of 17.6 percent over last year's 185,927. The best previous month—July, 1980—saw 222,249 tallies.

The current April total was about 2,000 units short of the 220,595 vehicles registered in the same month in 1980. The all-time April high was achieved in 1978, when 319,622 trucks were tallied.

The four-month total also was the highest in two years. Through April, the count was 752,839, up 9.6 percent from the year-earlier 686,657, but down 14.6 percent from the 881,327 units registered in the same period in 1980.

Through April, light trucks were the only market segment to show a gain over last year. Mediums continue to lose ground, but the heavies rebounded slightly as a result of a surge in Group 7 tallies in April.

There were 696,949 light-truck registrations over the four-month span, with significant gains in all three weight classifications. The total through April was 12.5 percent higher than last year's 619,493.

Group 1 tallies in the January-April period climbed to 388,429, up 13.5 percent over the year-earlier 342,355 units. Registrations of the non-captive imports totaled 96,798 units, 5.9 percent higher than the year-ago 91,381.

Through April, the Group 2 count was up 10.9 percent, from 272,874 units in 1981 to 302,519. There were 1,936 import tallies, 53.9 percent higher than last year's 1,258 units.

In Group 3, the four-month total was 6,001 units, an increase of 40.7 percent over the 4,264 tallied in 1981.

Through April, medium-truck

Continued on Page 34, Col. 4

GMC's '82 share boosted 8 points by Group 7 surge

A surge in Group 7 GMC registrations in April resulted in a sharp increase in the four-month heavy-truck penetration by the General Motors truck builder.

During the month, 3,324 Group 7 GMC trucks were registered, more than triple the 950 units tallied in the same month a year ago. It helped boost the GMC Groups 7 and 8 total for the five months to 9,135 units.

Through April, GMC heavies accounted for 21.02 percent of the industry total, a gain of 8.01

Continued on Page 32, Col. 3

U. S. TRUCK REGISTRATIONS

FOUR MONTHS, 1982 VS. 1981★

	4 mos., 1982	Percent Share of '82 market	4 mos., 1981	Percent Share of '81 market	Pct. pt. Change, '82-'81
Chevrolet	250,246	33.24	211,907	30.86	+ 2.38
Ford	215,522	28.63	220,085	32.05	− 3.42
Dodge	70,871	9.41	52,174	7.60	+ 1.81
GMC	67,621	8.98	50,235	7.32	+ 1.66
Jeep	17,371	2.31	15,681	2.28	+ 0.03
International	13,870	1.84	20,077	2.92	− 1.08
Mack	5,211	0.69	6,035	0.88	− 0.19
Plymouth*	3,891	0.52	5,879	0.86	− 0.34
Freightliner	2,363	0.31	2,701	0.39	− 0.08
Kenworth	2,356	0.31	3,385	0.49	− 0.18
Peterbilt	1,904	0.25	1,799	0.26	− 0.01
Mercedes	1,026	0.14	1,258	0.18	− 0.04
White	658	0.09	970	0.14	− 0.05
Western Star	262	0.04	246	0.04	.....
Autocar	219	0.03	423	0.06	− 0.03
Volvo	140	0.02	372	0.06	− 0.04
Misc.**	99,308	13.19	93,430	13.61	− 0.42
TOTALS	752,839	100.00	686,657	100.00	.....

★—No registrations for Oklahoma, 1982 and 1981; District of Columbia, April, 1981.

* Plymouth trucks are Trail Duster, Voyager and Arrow.

**Miscellaneous includes imports, Mercedes, Crane Carrier, Oshkosh, FWD, Hendrickson, etc.

U. S. HEAVY DUTY REGISTRATIONS

FOUR MONTHS, 1982 VS. 1981★

	4 mos., 1982	Percent Share of '82 market	4 mos., 1981	Percent Share of '81 market	Pct. pt. Change, '82-'81
Ford	9,451	21.75	10,759	21.42	+ 0.33
International	9,203	21.18	13,083	26.04	− 4.86
GMC	9,135	21.02	6,534	13.01	+ 8.01
Mack	4,463	10.27	5,674	11.29	− 1.02
Chevrolet	2,442	5.62	3,330	6.63	− 1.01
Freightliner	2,363	5.44	2,701	5.38	+ 0.06
Kenworth	2,356	5.42	3,385	6.74	− 1.32
Peterbilt	1,904	4.38	1,799	3.58	+ 0.80
White	658	1.51	970	1.93	− 0.42
Mercedes	293	0.68	310	0.62	+ 0.06
Western Star	262	0.60	246	0.49	+ 0.11
Autocar	219	0.50	423	0.84	− 0.34
Volvo	140	0.32	360	0.71	− 0.39
Misc.	567	1.31	663	1.32	− 0.01
TOTALS	43,456	100.00	50,237	100.00	.....

★—Groups 7 and 8 trucks only; no registrations for Oklahoma, 1982 and 1981; District of Columbia, April, 1981.

NEW TRUCK REGISTRATIONS BY MAKE AND GVW CLASS

THREE MONTHS, 1982 VS. 1981★

		Group 1 6,000 pounds and less	Group 2 6,000-10,000	Group 3 10,001-14,000	Group 4 14,001-16,000	Group 5 16,001-19,500	Group 6 19,501-26,000	Group 7 26,001-33,000	Group 8 33,001 and over	Make Totals
AUTOCAR	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**53**	**53**
	April, '81	.....	.....	.....	.....	.....	.....	.....	123	123
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**219**	**219**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	423	423
BROCKWAY	**April, '82**	.....	.....	.....	.....	.....	.....	.....	.....	.....
	April, '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
CHEVROLET	**April, '82**	**36,929**	**27,846**	**1,846**	.....	**38**	**352**	**615**	**61**	**67,687**
	April, '81	31,994	22,340	948	.....	95	838	846	97	57,158
	Year to Date '82	**137,623**	**103,037**	**5,599**	.....	**144**	**1,401**	**2,231**	**211**	**250,246**
	Year to Date '81	113,914	87,240	4,060	.....	297	3,066	2,969	361	211,907
(Memo Units) #	**April, '82**	**23,653**	**9,545**	.....	.....	.....	.....	.....	.....	**33,198**
	April, '81	13,783	6,665	.....	.....	.....	.....	.....	.....	20,448
	Year to Date '82	**83,129**	**32,122**	.....	.....	.....	.....	.....	.....	**115,251**
	Year to Date '81	46,195	24,533	.....	.....	.....	.....	.....	.....	70,728
DODGE	**April, '82**	**13,039**	**7,552**	.....	.....	.....	.....	.....	.....	**20,591**
	April, '81	7,811	6,064	76	.....	.....	.....	.....	.....	13,951
	Year to Date '82	**47,029**	**23,825**	**17**	.....	.....	.....	.....	.....	**70,871**
	Year to Date '81	30,596	21,387	190	1	.....	.....	.....	.....	52,174
(Memo Units) #	**April, '82**	**8,421**	**5,182**	.....	.....	.....	.....	.....	.....	**13,603**
	April, '81	4,714	3,477	8	.....	.....	.....	.....	.....	8,199
	Year to Date '82	**30,536**	**16,110**	.....	.....	.....	.....	.....	.....	**46,646**
	Year to Date '81	19,172	12,045	20	.....	.....	.....	.....	.....	31,237
FORD	**April, '82**	**23,563**	**41,341**	.....	.....	.....	**984**	**1,861**	**726**	**68,475**
	April, '81	19,718	33,891	.....	.....	.....	1,037	2,163	746	57,555
	Year to Date '82	**68,188**	**134,551**	.....	.....	.....	**3,332**	**6,756**	**2,695**	**215,522**
	Year to Date '81	74,457	130,649	.....	.....	.....	4,220	8,057	2,702	220,085
(Memo Units) #	**April, '82**	**12,423**	**14,838**	.....	.....	.....	.....	.....	.....	**27,261**
	April, '81	7,906	10,879	.....	.....	.....	.....	.....	.....	18,785
	Year to Date '82	**30,771**	**46,518**	.....	.....	.....	.....	.....	.....	**77,289**
	Year to Date '81	29,616	40,491	.....	.....	.....	.....	.....	.....	70,107
FREIGHTLINER	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**565**	**565**
	April, '81	.....	.....	.....	.....	.....	.....	.....	864	864
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**2,363**	**2,363**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	2,701	2,701
GMC	**April, '82**	**7,872**	**8,662**	**23**	.....	**120**	**309**	**3,324**	**675**	**20,985**
	April, '81	5,164	6,503	8	.....	37	473	950	936	14,071
	Year to Date '82	**20,743**	**29,656**	**385**	.....	**241**	**1,161**	**6,429**	**2,706**	**67,621**
	Year to Date '81	18,513	23,032	12	.....	180	1,964	3,405	3,129	50,235
(Memo Units) #	**April, '82**	**4,291**	**2,602**	.....	.....	.....	.....	.....	.....	**6,893**
	April, '81	807	1,890	.....	.....	.....	.....	.....	.....	2,697
	Year to Date '82	**13,427**	**8,233**	.....	.....	.....	.....	.....	.....	**21,660**
	Year to Date '81	2,808	5,771	.....	.....	.....	.....	.....	.....	8,579
INTERNATIONAL	**April, '82**	.....	.....	.....	.....	.....	**1,327**	**1,069**	**1,401**	**3,797**
	April, '81	.....	224	.....	.....	.....	1,185	1,807	1,970	5,186
	Year to Date '82	.....	.....	.....	.....	.....	**4,667**	**3,901**	**5,302**	**13,870**
	Year to Date '81	.....	1,242	.....	.....	.....	5,752	6,631	6,452	20,077
(Memo Units) #	**April, '82**	.....	.....	.....	.....	.....	.....	.....	.....	.....
	April, '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	.....
JEEP	**April, '82**	**2,525**	**2,066**	.....	.....	.....	.....	.....	.....	**4,591**
	April, '81	2,643	1,552	.....	.....	.....	.....	.....	.....	4,195
	Year to Date '82	**9,245**	**8,126**	.....	.....	.....	.....	.....	.....	**17,371**
	Year to Date '81	9,051	6,630	.....	.....	.....	.....	.....	.....	15,681
(Memo Units) #	**April, '82**	**2,525**	**1,465**	.....	.....	.....	.....	.....	.....	**3,990**
	April, '81	2,643	1,143	.....	.....	.....	.....	.....	.....	3,786
	Year to Date '82	**9,245**	**6,004**	.....	.....	.....	.....	.....	.....	**15,249**
	Year to Date '81	9,051	4,908	.....	.....	.....	.....	.....	.....	13,959
KENWORTH	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**590**	**590**
	April, '81	.....	.....	.....	.....	.....	.....	.....	1,088	1,088
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**2,356**	**2,356**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	3,385	3,385
MACK	**April, '82**	.....	.....	.....	.....	.....	**192**	**52**	**1,099**	**1,343**
	April, '81	.....	.....	.....	.....	.....	120	26	1,638	1,784
	Year to Date '82	.....	.....	.....	.....	.....	**748**	**207**	**4,256**	**5,211**
	Year to Date '81	.....	.....	.....	.....	.....	361	44	5,630	6,035
MERCEDES-BENZ	**April, '82**	.....	.....	.....	.....	.....	**202**	**87**	.....	**289**
	April, '81	.....	.....	.....	.....	.....	.....	.....	.....	370
	Year to Date '82	.....	.....	.....	.....	.....	**733**	**293**	.....	**1,026**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	.....	1,258
PETERBILT	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**494**	**494**
	April, '81	.....	.....	.....	.....	.....	.....	.....	464	464
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**1,904**	**1,904**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	1,799	1,799
PLYMOUTH	**April, '82**	**598**	**384**	.....	.....	.....	.....	.....	.....	**982**
	April, '81	1,001	378	.....	.....	.....	.....	.....	.....	1,379
	Year to Date '82	**2,503**	**1,388**	.....	.....	.....	.....	.....	.....	**3,891**
	Year to Date '81	4,443	1,436	.....	.....	.....	.....	.....	.....	5,879
VOLVO	**April, '82**	.....	.....	.....	.....	.....	.....	**44**	**6**	**50**
	April, '81	.....	.....	.....	.....	.....	3	52	49	104
	Year to Date '82	.....	.....	.....	.....	.....	.....	**108**	**32**	**140**
	Year to Date '81	.....	.....	.....	.....	1	11	206	154	372
WESTERN STAR	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**51**	**51**
	April, '81	.....	.....	.....	.....	.....	.....	.....	55	55
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**262**	**262**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	246	246
WHITE	**April, '82**	.....	.....	.....	.....	.....	.....	.....	**145**	**145**
	April, '81	.....	.....	.....	.....	.....	.....	.....	183	183
	Year to Date '82	.....	.....	.....	.....	.....	.....	.....	**658**	**658**
	Year to Date '81	.....	.....	.....	.....	.....	.....	.....	970	970
MISCELLANEOUS*	**April, '82**	**27,280**	**560**	.....	.....	**1**	.....	**7**	**115**	**27,963**
	April, '81	26,624	492	1	1	.....	314	136	190	27,758
	Year to Date '82	**96,798**	**1,936**	.....	**4**	**3**	.....	**44**	**523**	**99,308**
	Year to Date '81	91,381	1,258	2	3	3	1,068	467	462	94,644
TOTALS	**April, '82**	**111,806**	**88,411**	**1,869**	.....	**159**	**3,366**	**7,059**	**5,981**	**218,651**
	April, '81	94,955	71,444	1,033	1	132	3,970	5,980	8,412	185,927
	Year to Date '82	**388,429**	**302,515**	**6,001**	**4**	**388**	**12,042**	**19,969**	**23,487**	**752,839**
	Year to Date '81	342,355	272,874	4,264	4	481	16,442	21,779	28,458	686,657

★—No registrations for Oklahoma, 1982 and 1981; District of Columbia, April, 1981.

#—Memo units are trucks which are part of the total listed above each entry. Chevrolet memo units are vans, Sportvan, El Camino, Blazer, LUV and S-10; Dodge, vans, Ram Wagon, Ramcharger, Ram 50 and Rampage; Ford, Econoline vans, Club Wagon, Bronco, Courier and Ranger; GMC, vans, Jimmy, Caballero and S-15; Jeep, CJs, Cherokee, Wagoneer and Scrambler. *—Miscellaneous includes imports, Crane Carrier, Oshkosh, FWD, IVECO/Magirus, Diamond Reo, Hendrickson, etc.

—Compiled from R. L. Polk & Co. data.

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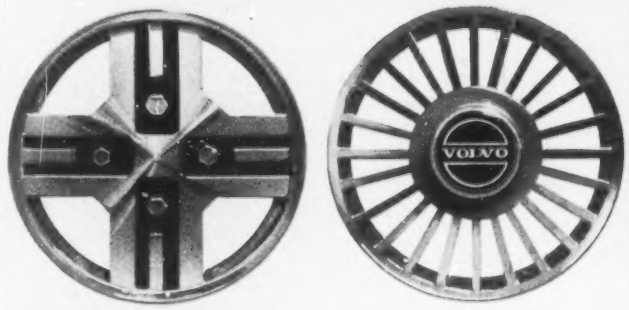

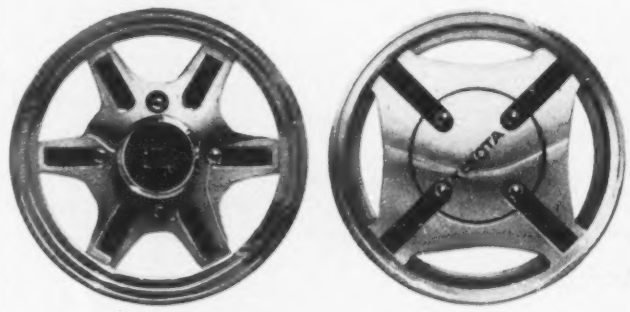

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With consignment selling

Car Exchange taps private-party market

Continued from Page 26

of America employe, said that dealers participating in the program would have facilities available to do such work and, as a consequence, service for consignment vehicles would become another profit center.

When a car is sold through the Car Exchange, the seller must pay a daily storage fee of about $2 a day, plus an 8 percent commission on the sale price, as well as a service fee of $175.

The Car Exchange advertises locally in the San Diego area on television and in print ads. If the seller wants his or her car specifically mentioned in the standing Car Exchange ad, the seller shares the advertising cost with Car Exchange. That charge, according to Pieri, typically is about $20 to $30 for a weekend run.

In its first year, the Car Exchange posted $1 million in gross sales, according to Pieri. This year it is rapidly approaching the $2 million mark, and Pieri estimates that at any given month the firm has at least $1 million in inventory or approximately 200 cars on the lot.

Pieri said there are many advantages for both the buyer and seller. The buyer can come to one location and look over a number of cars in many different price ranges. The seller does not have to go through the hassle of advertising and showing the car to prospective buyers.

In addition, the car is on display seven days a week and the Car Exchange has salesmen on hand to show the cars.

Pieri and Riggs said they plan to offer the franchises to dealers for $25,000 each, plus a royalty based on each location's sales. Any national advertising will be funded from the royalties, and Pieri said they plan to offer commercials to the local dealers that will allow them to plug in their names and locations.

Their target is to have at least one dealer in each of the 208 major television markets in the U. S. By the end of their first year, they hope to have at least 125 dealers.

"Our program lets the dealer tap into a new segment of the market," Riggs said. "It gives him an inventory for which he pays nothing and at the same time he receives a fee for storing that inventory, plus commission."

factories list auction dates

American Motors

June 22—Aptco Auto Auction, Taylor, Mich.; D-A Auto Auction, New Stanton, Pa.

June 23—Evansville Auto Auction, Evansville, Ind.; Fredericksburg Auto Auction, Fredericksburg, Va.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; Todd Auto Auction, Telford, Pa.

June 29—Ohio Auto Auction, Columbus, O.

Ford Motor Co.

June 23—Clanton's Auto Auction, Darlington, S. C.

June 23—Clanton's Auto Auction, Fremont, Calif.

Chrysler Corp.

June 22—Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.

June 30—Sand Mountain Auto Auction, Boaz, Ariz.

Used car sales
Auction Averages

June to date	$4,702
Month ago	$4,791
Year ago	$4,280

Quarterly profits up 50 pct. for Subaru America

PENNSAUKEN, N. J.—Subaru of America, Inc., said its second-quarter net income for the period ended April 30, 1982, rose 49.8 percent to $9.531 million ($1.58 a share) from $6.364 million the previous year, despite a drop in total revenue.

Net sales for the period declined 3.8 percent to $234.7 million from $243.8 million.

The company said "a number of factors" led to the improved profitability. Subaru cited an increased contribution from its distributors, "optimum utilization" of accumulated working capital and growth from increased sales of Subaru replacement parts and accessories.

The strong second-quarter results brought net income for the first six months of the company's fiscal year to $20.3 million ($3.35 a share), up 65 percent from $12.3 million ($2.04 a share) the year earlier. Net sales in the half rose 8 percent to $503.9 million from $466.7 million.

Model breakdown
Auction Averages

	JUNE TO DATE	MAY	APRIL
1982	$9,648	$9,102	$8,891
1981	6,905	6,995	6,979
1980	5,383	5,439	5,472
1979	4,659	4,807	4,638
1978	3,638	3,874	3,764
1977	2,917	2,986	2,917
1976	2,000	2,146	2,183
1975	1,389	1,539	1,491
Overall Average	$4,702	$4,799	$4,719

Stocking up on LTDs

Peter B. Griffin, left, vice president of Griffin Ford, Greenwich, Conn., presents keys to one of 18 new Ford/LTD police cruisers to Greenwich Police Chief Thomas G. Keegan.

Truck registrations in April highest since July, 1980

Continued from Page 22

registrations were down 26.5 percent, from 16,927 vehicles last year to 12,434. Heavies were off 13.5 percent to 43,456 units, compared with 50,237 a year ago.

Registrations declined in four of the five big-truck weight classifications in the January-April period.

The Group 4 count was unchanged from last year, with four tallies each year. Group 5 was down 19.3 percent, from 481 units in 1981 to 388, while Group 6 slipped 26.8 percent to 12,042 tallies, as against 16,442 in 1981.

• Through April, there were 19,969 Group 7 registrations, a decline of 8.3 percent from the year-earlier 21,779. In April, however, there were 7,059 Group 7 tallies, up 18 percent from last year's 5,980. It was the best month for these trucks since April, 1980, when 8,299 units were registered.

In Group 8, there were 23,487 registrations in the four-month span, a decline of 17.5 percent from last year's 28,458.

No. 1 Chevrolet accounted for 33.24 percent of total industry registrations through April with 250,246 tallies. A year ago, Chevrolet was in second place with 211,907, good for 30.86 percent of the total.

Runnerup Ford's share of the four-month count was down 3.42 percentage points from a year ago. In 1981, Ford's 220,085 tallies accounted for 32.05 percent of the total. This year, its count dropped to 215,522 units, or 28.63 percent of the total.

Lakeland sale aids Florida independents

LAKELAND, Fla.—More than 3,000 cars were sold at the third annual Florida Independent Automobile Dealers Assn.-Lakeland Auto Auction dealers' sale.

FIADA President Oscar Houchins reported that the special membership promotion brought the association a net profit of about $17,000 and 44 new members.

used-car auction directory

Display Rates: $59.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $17.00; 13-times, $13.00; 26-times, $11.50; 52-times, $10.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

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Week's total up 16 pct., but it trails last year's 160,000

Auto production climbs to 134,400

By Patricia Hoffman
Staff Writer

Operations at all but one General Motors facility helped boost last week's domestic auto production from the previous week's total, but output was far below that of the comparable 1981 period.

The return of four assembly points and overtime schedules at three facilities brought last week's estimated car production to 134,400 units, a 16.18 percent gain from 115,680 the previous week, but the total was 16.05 percent below the 160,103 units built the same week last year.

Breakdown for the week by company is: GM, 61.45 percent; Ford Motor, 23.67 percent; Chrysler, 11.53 percent; Volkswagen of America, 2.23 percent; American Motors, 1.04 percent and Checker Motors, 0.08 percent.

Production resumed last week at Chrysler's Belvidere, Jefferson and Newark facilities, following one-week shutdowns to control overstocked inventory.

Also back last week was GM's Framingham point. Leeds was the only GM plant that did not work last week.

Saturday overtime was scheduled June 19 at GM's Doraville and Ford's Kansas City plants.

Chrysler's St. Louis plant worked a daily nine-hour shift last week.

Year-to-date, the auto makers have built 2,454,888 cars, down 26.86 percent from 3,356,232 in the comparable 1981 period.

Yanase signs pact to import GM cars, trucks into Japan

DETROIT. — General Motors and Yanase & Co., Ltd., have signed an agreement under which Yanase will import and distribute GM North American-source vehicles to dealers in Japan.

Yanase is Japan's largest imported-car dealer organization. In 1981, it sold 58.1 percent of the imported autos retailed in that country.

The firm imports Volkswagen, Mercedes-Benz and Audi vehicles in addition to GM lines. It is headed by Jiro Yanase, 65, a second-generation auto importer. His father started importing American cars into Japan in the early 1900s.

Last year, GM sold about 5,000 North American cars and trucks in Japan, and Yanase accounted for "a little more than half of them," GM said.

The GM vehicles were imported by 23 Japanese dealerships, nine of which are owned by Yanase.

Last week's agreement was announced by John F. Beck, president of General Motors Overseas Distribution Corp., and Jiro Yanase.

They said, "The new arrangement will enable GM products to compete more effectively in the Japanese market by centralizing the import distribution functions in a local distributor."

Previously, GM vehicles were imported into Japan by individual dealers.

Beck and Yanase said existing GM dealers will be given the opportunity to continue to retail GM vehicles in association with Yanase.

GM said that since the new setup relieves dealers from performing the import distribution function, they will be free to concentrate on marketing vehicles.

The Yanase importing organization is involved with much more than automobiles. Jiro Yanase imports high fashion into Japan from Paris, Rome, Milan and London and retails these items through his own fashion boutiques throughout the country.

He also imports Hatteras Yachts, Johnson Outboards, OMC stern drives and Seagull boats from the U. S.; Continental tires, Mercedes-Benz diesel engines and Unimogs from West Germany and Aktiv six-passenger snowmobiles from Sweden.

He is involved in automobile credit, financing, franchise restaurants, television production and phonograph record production.

Early this year, AUTOMOTIVE NEWS asked Yanase whether there is a disadvantage in marketing cars with the steering wheel on the left side in a country that has everyone driving on the left side of the road.

His answer pointed up his practical approach. He said that since most American and Mercedes-Benz cars are chauffeur-driven, it is much easier for the driver to exit and open the door in busy Tokyo traffic since he doesn't have to run around the car.

Olson heads Bison Motor

GREAT FALLS, Mont.—Dick Olson, son of one of the founders of the 45-year-old Bison Motor Co. (Ford) here, has acquired additional interest in Bison Motor Co. and Bison Leasing, and has been elected president and general manager. Former president Bob Solberg has retired.

Truck production tops 50,000, up 16 pct. for week

The return of two U. S. truck assembly points helped boost last week's production from the previous week's total, and output was well ahead of the year-ago period.

Last week, the makers scheduled 50,540 trucks, up 16.87 percent from 43,245 the previous week and up 20.32 percent from 42,006 in 1981.

Year-to-date production totaled 964,000 units, up 10.27 percent from 874,255 in the comparable 1981 period.

Production resumed last week at Ford Motor's Louisville facility and Chrysler Corp.'s Belvidere plant following one-week shutdowns to control inventory.

Three General Motors' plants worked last Saturday (June 19). They were Janesville, Lordstown and St. Louis. The St. Louis point also worked a daily nine-hour shift.

Chrysler's Warren plant operated a daily nine-hour shift last week. It was the 16th consecutive week of overtime at the facility.

Week's assembly of Canadian cars shows slight gain

Canadian auto production last week rose 1.77 percent from the previous week's total, but output fell 7.07 percent below that of the comparable 1981 period.

The auto makers scheduled 21,838 units last week, up from 21,459 the previous week, but down from 23,499 units in the same period last year.

Year-to-date, the manufacturers have built 444,905 cars, a 2.78 percent gain from 432,853 in the comparable 1981 period.

Truck production last week was targeted at 12,717 units, down 6.27 percent from 13,568 the previous week, and down 2.44 percent from 13,035 in the same week last year.

So far this year, the makers have assembled 264,009 trucks, down 4.70 percent from 277,034 at this time in 1981.

Ford Motor's Oakville car facility operated on daily overtime schedules last week for the second consecutive week. The plant is working eight additional hours per week on each of its two shifts.

Chrysler Corp.'s Windsor car and truck plants will be idle starting July 16 for model changeover. Production of the 1983 cars and trucks is slated to begin Aug. 2.

The second shift is scheduled to resume July 19 at American Motors' Brampton car plant. Output will be upped from 122 units a day on one shift to 244 units a day on two shifts.

U. S. CAR PRODUCTION

	Week Ended June 19, 1982	Week Ended June 26, 1981	Week Ended June 12, 1982	June to Date	Jan. 1 to June 20, 1981	Jan. 1 to June 19, 1982
AMERICAN MOTORS	1,400*	2,400*	1,400*	4,200*	54,054*	28,899
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	15,500	17,641	2,935	31,464	405,826	284,426
Plymouth Total	6,000	9,378	431	11,522	209,097	117,588
Horizon	2,000	3,477	.....	4,007	78,509	35,486
Reliant	4,000	5,901	431	7,515	121,001	82,102
Caravelle	.....	.....	.....	.....	2,139	.....
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	3,100	.....	1,508	7,023	22,098	55,222
LeBaron	3,100	.....	1,508	7,023	17,236	55,222
Chrysler	.....	.....	.....	.....	4,862	.....
Dodge Total	6,400	8,263	996	12,919	174,631	111,616
Omni	2,600	3,615	.....	4,389	62,668	33,579
Aries	3,000	4,648	290	6,069	95,637	61,597
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	800	.....	706	2,461	.....	16,440
St. Regis	.....	.....	.....	.....	3,682	.....
FORD MOTOR	31,808	33,017	31,845	92,083	716,345	561,639
Ford Division	19,737	21,390	21,027	59,594	489,041	359,372
Escort	6,742	8,333	7,133	20,511	183,659	149,170
Fairmont	3,909	5,293	3,913	11,125	104,440	61,714
Must./Must. II	3,516	4,830	3,992	10,764	82,416	65,377
Granada	4,258	2,934	4,600	12,427	43,392	58,578
Thunderbird	1,132	.....	1,193	4,179	34,248	20,589
Ford	.....	.....	.....	.....	40,886	.....
EXP	180	.....	196	588	.....	3,944
L-M Division	12,071	11,627	10,818	32,489	227,304	202,267
Mercury Total	9,991	9,942	8,731	26,323	192,643	154,177
Lynx	2,650	3,067	2,295	6,593	63,654	44,500
Capri	1,343	2,080	793	2,784	28,776	15,660
Zephyr	1,679	2,007	1,615	4,627	31,949	20,662
Cougar	1,958	1,474	1,727	5,104	22,172	27,855
XR-7	459	.....	440	1,657	14,811	6,713
Mercury	1,840	1,314	1,805	5,409	31,281	37,918
LN7	62	.....	56	149	.....	869
Lincoln Total	2,060	1,685	2,087	6,166	34,661	48,090
Continental ('82)	415	.....	418	1,233	.....	10,147
Lincoln	1,019	842	1,022	3,022	16,887	21,544
Mark VI	646	843	647	1,911	17,774	16,399
GENERAL MOTORS	82,592	103,286	76,230	227,744	2,089,834	1,531,869
Buick Division	17,707	18,079	17,220	51,715	463,963	359,103
Skylark	3,218	5,140	3,244	9,174	126,800	64,640
Skyhawk J	.....	.....	.....	2,665	.....	42,759
Century	3,622	1,828	3,199	9,754	82,883	61,236
Regal	5,277	5,755	5,187	14,766	141,468	93,297
Buick	4,535	4,069	4,392	12,207	83,160	78,894
Riviera	1,055	1,287	1,198	3,149	29,652	18,277
Cadillac Division	5,529	7,067	5,639	15,590	138,014	118,103
Cimarron	124	819	69	230	3,437	1,631
Seville	330	477	362	970	13,819	11,679
Eldorado	1,385	1,558	1,582	4,156	33,197	30,446
Cadillac	3,690	4,213	3,626	10,234	87,561	74,347
Chevrolet Division	27,195	41,828	24,119	72,480	755,497	477,930
Chevette	5,900	8,472	5,622	16,016	162,029	105,439
Cavalier	1,530	3,229	1,365	4,011	21,568	40,734
Celebrity	1,850	.....	177	3,424	.....	31,965
Camaro	5,255	4,758	4,777	14,321	72,027	106,579
Citation	4,990	8,935	4,803	14,163	183,643	83,133
Malibu	3,470	7,055	3,579	9,942	139,545	53,870
Monte Carlo	2,455	4,071	2,176	6,200	74,446	30,716
Chevrolet	1,145	4,807	1,012	2,711	87,982	11,429
Corvette	600	501	608	1,692	14,257	14,065
Oldsmobile Division	16,962	20,146	16,490	47,439	480,229	361,228
Omega	1,720	3,314	1,839	5,233	75,844	40,349
Firenza	.....	.....	.....	758	.....	29,331
Cutlass	4,800	9,931	4,713	13,357	241,001	89,038
Cutlass/Ciera	3,081	.....	2,641	8,296	.....	58,675
Oldsmobile	6,531	5,880	6,343	17,298	138,506	126,796
Toronado	830	1,021	954	2,497	24,878	17,039
Pontiac Division	15,199	16,166	12,762	40,520	252,131	215,505
Acadian†	325	450	326	1,015	11,747	6,504
J2000	1,705	3,115	1,751	4,643	18,885	17,430
T1000	1,560	2,606	1,551	4,293	34,549	15,275
Firebird	3,483	2,777	3,513	9,819	34,556	62,894
Phoenix	1,795	2,603	1,912	5,525	59,246	22,749
Grand Prix	2,143	2,631	1,852	5,811	53,043	37,752
Bonneville ('82)	2,143	.....	1,857	5,817	.....	37,709
A6000	2,045	.....	.....	3,597	.....	15,192
LeMans	.....	1,628	.....	.....	32,544	.....
Pontiac	.....	356	.....	.....	7,561	.....
VOLKSWAGEN	3,000*	3,689	3,170*	6,170*	88,955	46,192*
CHECKER	100*	70*	100*	300*	1,218*	1,863*
Total Cars, U. S.	134,400	160,103	115,680	361,961	3,356,232	2,454,888

TRUCK PRODUCTION IN U. S.†

	Week Ended June 19, 1982	Week Ended June 26, 1981	Week Ended June 12, 1982	June to Date	Jan. 1 to June 20, 1981	Jan. 1 to June 19, 1982
CHEVROLET	17,380	14,034	15,959	46,974	282,758	328,190
DODGE	3,400	2,515	2,408	8,612	46,844	63,117
FORD	20,046	15,477	14,163	50,762	319,043	345,923
GMC	5,019	4,216	6,022	16,788	94,229	121,768
INTERNATIONAL	1,195	1,673	1,194	3,587	35,533*	25,250
VOLKSWAGEN	450*	904	449*	899*	21,775	7,961*
JEEP	2,000*	1,697*	2,000*	6,000*	42,198*	42,711*
AM GENERAL	50*	90*	50*	150*	2,075*	1,080*
MISCELLANEOUS	1,000*	1,400*	1,000*	3,000*	29,800*	28,000*
Total Trucks, U. S.	50,540	42,006	43,245	136,772	874,255	964,000

CANADIAN TRUCK PRODUCTION

	Week Ended June 19, 1982	Week Ended June 26, 1981	Week Ended June 12, 1982	June to Date	Jan. 1 to June 20, 1981	Jan. 1 to June 19, 1982
CHRYSLER CORP.	2,160	2,468	2,664	6,493	38,746	50,294
FORD MOTOR	3,942	3,417	4,124	11,126	83,308	70,429
GENERAL MOTORS	6,352	6,900	6,516	18,038	149,013	137,331
INTERNATIONAL	263	250	264	738	5,967	5,955
Total Trucks, Canada	12,717	13,035	13,568	36,395	277,034	264,009
N. American Trucks	63,257	55,041	56,813	173,167	1,151,289	1,228,009

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended June 19, 1982	Week Ended June 26, 1981	Week Ended June 12, 1982	June to Date	Jan. 1 to June 20, 1981	Jan. 1 to June 19, 1982
AMERICAN MOTORS	600	711	607	1,595	15,835	13,128
CHRYSLER CORP.	3,440	2,233	3,504	9,769	17,708	81,538
FORD MOTOR	9,173	7,500	9,111	25,486	114,139	159,464
GENERAL MOTORS	8,400	12,830	8,012	22,927	279,994	185,588
VOLVO	225	225	225	630	5,177	5,187
Total Cars, Canada	21,838	23,499	21,459	60,407	432,853	444,905
N. American Cars	156,238	183,602	137,139	422,368	3,789,085	2,899,793
N. American Trucks	63,257	55,041	56,813	173,167	1,151,289	1,228,009
North American Cars and Trucks	219,495	238,643	193,952	595,535	4,940,374	4,127,802

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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DeLorean plant could reopen in September

By Edward Lapham
Financial Editor

The Northern Ireland DeLorean sports-car factory could reopen as soon as September, rehire about 1,000 workers and begin output of '83-model cars.

John Z. DeLorean late last week said he had signed a letter of intent to "take over" the Dunmurry operation from control of the receivers, if the receivers are unable to put together a consortium of British buyers by July 31.

DeLorean told AUTOMOTIVE NEWS that the U. S. company is committed to take over the factory "by providing $25 million in export guarantees and $10 million in cash."

DeLorean said the capital was raised in the U. S. through a variety of financial institutions and existing dealers, and that as part of the financial restructuring his ownership of the U. S.-based DeLorean Motor Co. would be diminished.

"It's clear the majority interest will be in the hands of the new investor group," DeLorean told AUTOMOTIVE NEWS.

He said the Northern Ireland company also expects to have a commitment soon on the sale of a UK tax-loss credit. Such a transaction could net another $5 million to $8 million.

The Northern Ireland company, originally DeLorean Motor Cars, Ltd., but reconstituted as DMCL (1982), has been in voluntary receivership since Feb. 19. The factory ceased production entirely last month fol-

Continued on Page 8, Col.1

Swiss movement

Electric Carville improved

The Swiss electric Carville is equipped in its latest version with a four-speed gearbox from Citroen. The motor is located between the rear wheels, as is the battery box. Top speed is 50 MPH and range is up to 60 miles. The Carville is a luxury electric, priced at about $17,500 U. S. in Switzerland.

breaking news

GM bringing work back inside

DETROIT.—General Motors is planning to bring some outsourced work back into its network soon, according to Owen Bieber, UAW vice president and director of the GM department. While he would not name the plant involved, Bieber said announcement could be made within two weeks. It would be the first work brought back to GM under the current agreement with the UAW.

Sporty Century, Skyhawk models due in '83

DETROIT.—Buick will add sporty T Type models to its front-drive Skyhawk and Century lines for 1983. Century T Type coupe and sedan models will have a standard 3.0-liter V-6 engine, touring suspension and blacked-out exterior trim. Standard powertrain in the Skyhawk T Type (coupe only) will be the Brazilian-made 1.8-liter overhead-cam engine and new five-speed manual transmission. Buick will also give the T Type name to its Regal and Skylark sport coupes for '83.

Lessors trying out new finance ideas to boost business

By Edward Lapham
Financial Editor

It was only a matter of time. The push to find creative, attractive financing alternatives in diverse areas like housing and retail auto sales has spilled over into auto leasing.

Just as the General Motors Acceptance Corp. 12.5 percent retail lease finance rate program (AUTOMOTIVE NEWS, June 21) has stirred new interest in a sleepy lease market, some new programs by independent financial institutions and lease companies could have the same effect.

The GMAC program, which lowers the retail lease finance rate to 12.5 percent for July, isolates the dealer from title concerns because GMAC is the titled lessor and allows small-volume lease dealers to take their profit "up front." It should make GM dealers very competitive in retail leases through the end of the current model year.

At the same time, some of the new programs being offered by independents could help to permanently expand the entire lease market.

One of the most creative leasing finance ideas was developed not to help prospective customer with limited financing alternatives, but rather to appeal to a segment of well-heeled prospects.

Generally known as "lease investment financing," the concept is rather simple. A lessee makes a security deposit, or investment, in a financial institution and the "interest payments" are used to make the lease payments.

The only catch is that the security deposit must be large enough to generate sufficient "interest" to meet the payment schedule. The deposit is often more than twice the selling price of the vehicle being leased.

One of the first lease investment financing programs, and the most successful to date, was started by Dry Dock Savings Bank, of New York. The idea for the program is generally attributed to Robert Steel, Dry Dock president.

The Dry Dock program began March 23. The savings bank first approached Location Auto Leasing Co., a wholly owned and autonomous subsidiary of Genway Corp., based on Long Island.

With the lease company in place, Dry Dock then began advertising. The response was overwhelming. LAL President Mike Smith told AUTOMOTIVE NEWS he received 10,000 responses to the advertising and his company has given 600 customer quotes. Neither Smith nor Dry Dock Vice President John Mullady would say how many actual leases have been sold, however, for "competitive reasons."

"It's been a terrific program," Smith said. "The lease rates are

Continued on Page 38, Col. 1

No announcement planned on power loss; EPA waiver sought

GM replacing failing catalysts in '81, '82 cars

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — General Motors has a problem with as many as 735,000 of its 1981 and early 1982 models — a problem that could cost it as much as $150 million to correct — but it is not telling anyone except the EPA and some of its dealers about it.

According to information provided to the EPA, 1981 and early-1982 GM cars equipped with 3.8-liter, 4.4-liter and 5.0/5.7- liter engines, can experience sudden losses of power and, in extreme cases, stop altogether because of a breakdown of the catalytic converter.

The engines are used in 1981 A, B and F-body cars and 1982 B, F and G-body cars.

Pellets in the upper bed of its dual-bed converter are disintegrating and clogging the lower bed, GM said.

"We don't know why, but the end result is a sudden loss of power and even complete engine stop," it added.

Through December, 1981, GM had replaced approximately 28,000 of the faulty converters under emission - control - system warranties, but GM noted the rate of replacement is picking up with as many as 11,000 projected for January of this year — the last month for which figures are available.

The replacements are costing GM about $200 per unit.

Under the requirements of the Clean Air Act, GM would normally need to replace the failing converters for up to five years or 50,000 miles. In GM's case that could be an expensive proposition, given that the converters are failing at an average of 17,700 miles.

To avoid that expense, GM is replacing the dual-bed catalysts with single-bed, three-way-catalysts, and that is why it is talking to the EPA.

The replacement three-way catalysts fix the plugging problem, but they do not provide the same level of emission control. The cars will not meet the 1981 carbon monoxide standard using the three-way catalyst.

To get around that problem and the need to replace the catalyst twice, GM wants a waiver from the 1981 CO standard of 3.4 grams per mile to the higher 7-gpm level permitted under waiver provisions of the Clean Air Act that expire with the 1983 model year.

EPA previously granted the company such a waiver for 1982 versions of the cars in question, but for different reasons.

On the face of it, GM's request seems reasonable enough, particularly since EPA has already granted it a waiver for 1982 versions of the cars. But there is some question as to whether the Clean Air Act allows "retroactive waivers." Indeed, the Center for Auto Safety and its director, Clarence Ditlow, believe the act does not. CAS has indicated it will sue the agency if it grants the waiver GM wants.

"The act never contemplated rewarding someone for failing to comply with its requirements," Ditlow said.

California is concerned, too, particularly about GM car owners not being told of the problem. (GM said in correspondence to the EPA that it plans no general announcement of the catalyst-plugging problem and that it will handle any complaints through its normal emission - control - system warranty claims procedures.)

The state is afraid car owners might eliminate the catalyst altogether to solve the problem. As a consequence, California said it would prefer to negotiate a separate agreement with GM.

Meanwhile, replacement of the failing dual-bed converter with a single-bed three-way catalyst is boosting fuel economy in the cars in question by approximately 0.6 MGP and also lowering oxides of nitrogen emissions approximately 0.2 to 0.3 gpm.

GM said that is not a bad tradeoff for a slight increase in CO emissions.

A final decision on GM's request is expected sometime in July unless EPA cannot get over the legal hurdle of whether retroactive waivers are permitted.

Meanwhile, owners of 1981 GM A, B and F-body cars and early-1982 B, F and G-body cars should keep in mind that a sudden loss of power in the car could well be the result of the catalyst plugging and that replacement of the catalyst is covered under GM's emission-control-system warranty.

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UAW's Bieber discusses negotiations, industry outlook

GM assembly-plant changes eyed

By Marjorie Sorge
Labor Editor

Fisher Body Division of General Motors almost sabotaged local negotiations in its stamping plants when it took a Sears-Roebuck approach to bargaining, according to Owen Bieber, UAW vice president and director of the GM department.

He said Fisher Body put too much on the table and wanted too many concessions for the talks to be successful.

But, he said, top Fisher Body and UAW officials met earlier this month and were able to iron out the problems, changing the approach. He said this proves that management and the union can work together cooperatively for "positive results."

In an AUTOMOTIVE NEWS interview, Bieber also said GM will build the front-wheel-drive Cadillac Eldorado, and Seville, Oldsmobile Toronado and Buick Riviera in its new Hamtramck assembly plant that is scheduled to open in 1985.

However, that will take all the work away from the Linden (N. J.) facility which currently builds all GM's FWD luxury cars.

Consequently, GM is scheduled to introduce a new line of FWD G-cars into the Linden plant when its current production is shifted to Hamtramck. Current G-cars are the intermediate-size Chevrolet Malibu Classic and Monte Carlo, Pontiac Bonneville and Grand Prix, Oldsmobile Cutlass and Cutlass Supreme and Buick Regal.

Work from GM's present Detroit Cadillac facility will be shifted to the new Orion Township (Mich.) plant in 1983. That would leave the Detroit workers without jobs for two years since they are scheduled to be transfered to the Hamtramck facility in 1985.

However, Bieber said, GM is planning to put a rear-wheel-drive intermediate car into the Detroit plant, keeping the facility open until the new Hamtramck plant is completed. Hamtramck replaces the Detroit Cadillac plant and its companion Fisher Body facility. It was originally scheduled to open in 1983, but has been delayed twice. No plans have been announced by GM for the old Cadillac plant.

GM will spend $4 billion for a five-year capital expenditure plan which began in 1980. Like all the U. S. makers, GM has been in a cash crunch and has delayed the opening of all three of its new assembly plants.

• GM's new 29-month agreement with the UAW is estimated to save the company between $2.5 billion and $3 billion over its lifetime. GM had hoped to pick up additional concessions during local talks by modifying costly work rules.

But Bieber said the announcements of improved executive bonuses and an agreement with the Japanese auto company, Isuzu, have angered the rank and file, hindering local negotiations. Under pressure from the union, GM has said it will not implement the new bonus guidelines during the length of the current UAW agreement, but local officials are still angry.

"It's true that with the market the way it is, it wouldn't have generated anything under the new or old (bonus) system, but that's not the point," Bieber said.

"The point is that the auto industry is in trouble . . . if you ask the workers to make adjustments, which we did, then it certainly isn't fair for the executives to turn around the next day and say they are going to cut themselves a bigger piece of the pie. That has a very bad effect on not only the UAW leaders, but on the rank and file members of our union."

Bieber also said he believes

Continued on Page 6, Col. 4

Job one for Alliance

American Motors Chairman Paul Tippett, left, and President Jose J. Dedeurwaerder shake hands across the first Renault Alliance off the final assembly line at AMC's Kenosha plant. The Alliance goes on sale in September.

Lowest total on record for the period

Mid-June sales collapse to 117,795

By Jenny L. King
Staff Writer

Mid-June domestic new-car sales set all the wrong kind of records. The total was lowest since AUTOMOTIVE NEWS began charting 10-day figures in 1953. Sales declines were double-digit percentages compared with a year ago, and that 1981 total was the lowest since 1961.

The Big Three all dropped to their softest levels since the early January period. American Motors' estimated sales were the worst this year and only Volkswagen of America had several poorer showings in '82.

Sales of new U. S.-built cars numbered 117,795, down 31.58 percent from 172,170 a year earlier. There were eight selling days this year compared with nine in 1981, so on a daily-rate basis, sales were off 23.03 percent. The daily rate was 14,724, compared with 19,130, and was lowest since Jan. 11-20 when the average was 14,433.

General Motors tumbled 33.71 percent during the period, to 68,498 from 103,331 last year (down 25.43 percent daily rate). The company seemed to be suffering the effects of its current no-rebates, no-interest-break marketing. Its 12.8 percent interest rate program expired at the end of May. Sales were off 6.58 percent in early June, followed by the mid-June collapse.

• Ford Motor Co. sales of 30,781 units were down 26.09 percent from 41,644 in 1981 (down 16.84 percent daily rate). Chrysler Corp. dropped 23.30 percent, to 14,734 from 19,210 (down 13.70 percent daily rate).

Estimated sales of AMC passenger cars were 1,600, down 63.64 percent from 4,400 a year ago (down 59.08 percent daily rate), and VWoA slipped 39.14 percent, to 2,182 from 3,585 (down 31.41 percent daily rate).

Of the mid-month domestic market, GM earned 58.15 percent, down from 60.02 percent. Ford climbed to 26.13 percent from 24.19 percent. Chrysler sales accounted for 12.51 percent, up from 11.16 percent. AMC had an estimated 1.36 percent, down from 2.55 percent, and VWoA earned 1.85 percent, down from 2.08 percent.

On a year-to-year basis, only two U. S. makes had sales increases during the period: Chrysler was up 148.31 percent, to 4,030 from 1,623, and Lincoln was up 13.35 percent, to 1,528 from 1,348. Cadillac was up on a daily-rate basis by a fraction, but its sales dipped to 5,001 from 5,624.

On a year-to-year scale, Plymouth was down 46.61 percent; Imperial was down 56.36 percent; Dodge was down 29.10 percent; Ford was down 25.16 percent, and Mercury was down 33.82 percent.

Buick was off 38.08 percent; Cadillac was down 11.01 percent; Chevrolet was down 38.14 percent; Oldsmobile was down 31.52 percent, and Pontiac was down 32.99 percent.

Year-to-date sales through June 20 totaled 2,774,837, down 11.58 percent from 3,138,259 last year.

DOMESTIC SALES

	June 11-20, 1982	June 11-20, 1981
AMERICAN MTRS.	1,600†	4,400†
Chrysler	4,030	1,623
Imperial	48	110
Plymouth	5,291	9,910
Dodge	5,365	7,567
CHRYSLER CORP.	14,734	19,210
Ford	22,335	29,843
Mercury	6,918	10,453
Lincoln	1,528	1,348
FORD MOTOR CO.	30,781	41,644
Buick	7,493	12,101
Cadillac	5,001	5,624
Chevrolet	22,567	36,479
Oldsmobile	24,046	35,112
Pontiac	9,391	14,015
GENERAL MTRS.	68,498	103,331
VOLKSWAGEN	2,182	3,585
INDUSTRY TOTAL	117,795	172,170

† Estimated

Cal Worthington Ford settles false ad suit

By Matt De Lorenzo
Los Angeles Reporter

LOS ANGELES.—Cal Worthington, a Long Beach Ford dealer who has become almost a cult figure here through his television commercials, agreed last week to pay $50,000 to settle a false advertising suit brought four years ago by California.

Worthington, who in his commercials parades around an array of animals ranging from elephants to lizards and identifies them as his dog "Spot," admitted no wrongdoing in signing the judgment that cost him $25,000 in civil penalties and $25,000 in court costs.

Maintaining his innocence, Worthington said the settlement was "a form of extortion," and that state attorneys told him it was either $50,000 to settle the suit or $200,000 to battle the charges.

"You do the economic thing and pay up," Worthington said.

According to Deputy Attorney General Sanford Feldman, the suit accused Worthington of falsely advertising that his dealership sold Fords at prices below those of other Ford dealers, gave better tradein allowances and had better financing rates and lower payments than other dealers.

• The suit alleged that "in fact, (Worthington Ford) has a higher gross profit from the sale of new Fords than almost all other Southern California Ford dealers."

In addition, the suit said Worthington Ford inflated the price of new cars by posting a "dealer delivered price" or "Worthington price" in excess of the vehicle's manufacturer's suggested retail price.

Feldman said consumers were led to believe that the higher price resulted from the addition of equipment or services performed by Worthington Ford.

The suit contended "the alleged increased value does not represent the value of additional equipment added by Worthington Ford on the unreimbursed value of services performed by Worthingtcn Ford, but instead represents an inflated basis from which fictitious discounts can be offered to prospective buyers."

Other charges against Worthington Ford included:

1. Not all automobiles advertised were available for purchase.

2. Dealership personnel engaged in "bait and switch" tactics by disparging advertised cars or reluctantly showing those vehicles to prospective purchasers.

3. Advertised vehicles were not "beautiful, clean and sharp" as advertised, but rather were "in generally poor condition and have exceptionally high mileage."

4. The dealer's "free 10-day trial exchange" constituted an unfair business practice by placing "purchasers who attempt to take advantage of said exchange offer in an unfair bargaining position with respect to negoti-

Continued on Page 6, Col. 3

Honda trying to halt FTC paint investigation

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — American Honda, already burned by the Federal Trade Commission in a consent settlement that required it to replace the rusting fenders on 1975 through 1978 Honda Civic and Accord models, is trying to keep the commission from rubbing salt in the wound.

According to FTC records, Honda is trying to quash a commission investigation into alleged paint bubbling and peeling problems in 1975 through 1981 Honda cars. Such alleged peeling and bubbling is occurring in areas other than the fenders, complaints on file at the commission indicate, with the most prevalent area being the doors.

While an investigation is no indication of fault, the commission has in the past held that firms can be held liable for defects they could reasonably be expected to know about.

In the case of the rusting fender problem, Honda agreed to replace the fenders and/or reimburse owners who had already had the work done.

Honda sold approximately 700,000 Civic and Accord models during the 1975-1978 model years, but not all of them are expected to have the rusting fender problem. It is most prevalent in the so-called "salt-belt states," although Honda said it would fix the fenders wherever the cars might be.

Honda's attempts to kill the present investigation have thus far been rejected by the commission. That is obviously troublesome to the firm which has prided itself on building a quality product.

Another problem occurred in 1980 when the firm announced a free repair program to take care of a defective cylinder head gasket that was allowing cooling fluid to enter the combustion chamber. In some instances, this involved an engine rebuild.

Honda began that program as the FTC had it under investigation for alleged "secret warranty coverage" of the problem.

• Meanwhile, the FTC also has on file a number of complaints of Honda engines breaking down because of alleged defective connecting rod bolts which separate and cause the engine to seize.

It is also now beginning to get reports of braking problems on 1979-1980-1981 Civics and Accords. These are described as a slight to moderate shimmy of the front wheels under braking.

According to dealer sources, the alleged problem is attributable to rotor "run out" or a peculiarity of the Honda rotor which requires that it be "turn-

Continued on Page 6, Col. 1

Neoclassic builder finds success with conservative business approach

Zimmer's flashy cars swimming in almost-dry market

By Kathleen Hamilton
News Editor

POMPANO BEACH, Fla. — There's real financial and sales trouble afoot among the small companies that manufacture neoclassics — the cars reminiscent of the 1930s, with their flared fenders, trumpet horns, etched glass and lots of chrome.

One startling exception is Zimmer Motor Cars Corp. here, builder of one of the flashiest neoclassics of them all.

The reason the $59,500 Zimmer Golden Spirit seems to be succeeding where its competition is stalling are many.

Where other specialty-car firms are often headed by a stylist-turned-businessman, Zimmer headquarters here is staffed by both auto and business experts.

The company — listed on the American Stock Exchange — is solidly capitalized.

If others in south Florida's specialty-car business came to Florida for the low wages paid in the fiberglass industry, Zimmer didn't. This was the headquarters of the parent firm, Zimmer Homes Corp., builder of mobile homes and RVs.

The auto types drafted from Detroit and England are paid above scale, get such fringes as a company motor home to share for family vacations—but of course are subject to layoffs without a S.U.B. fund when the production schedule needs to be trimmed.

Zimmer's strong dealer network is buttressed by wholesale financing from Finance America, a Bank of America subsidiary.

• Robert P. Zimmer, 31-year-old son of the parent company's founder, heads the car operation. And quite an operation it is: With production now running at a rate of about 300 cars a year, Zimmer has surpassed the yearly output of the better-known California neoclassic, Clenet, and the industry founder, Excalibur.

The Zimmer Golden Spirit starts life as a Mustang. In the factory here, it undergoes a metamorphosis that takes 680 work hours. First, all but the Mustang rollcage is cut away with hand tools. The wheelbase is extended 39 inches.

Hand-laid fiberglass panels—formed out-of-doors, in the Florida sunshine — are mated to steel. Inner fenders, made by the chopper-gun method of fiberglassing, give a finished look to show off the wire wheels.

The Golden Spirit body gets 14 coats of lacquer — each sanded — during a two-week-long painting process. Even the gold pinstriping is done by hand.

Sunshine for Golden Spirit

Newest addition for the Zimmer Golden Spirit is a T-roof—the same one installed by Cars & Concepts in the Mustang, on which the Golden Spirit is based. The T-roof option adds $1,600 to the Zimmer's base price of $59,500.

The Golden Spirit — a $376, 24-karat-plated eagle — is mounted atop a chrome grille and competes for attention with four oversized headlights, a spotlight, four air horns, a massive stainless steel bumper and chrome side pipes. And that's just the front view.

• Inside, there's the mandatory leather and burl walnut plus a gold-plated Nardi steering wheel, crystal vases with silk flowers and two supremely functional luxuries: Electrically operated leather Recaro seats and a top-of-the-line Blaupunkt radio.

The latest improvement to the Zimmer is incorporation of the Mustang T-roof into Zimmer production. But that factory T-roof actually is installed in the Mustang by another customizing firm, Cars & Concepts.

The Mustang's brakes are modified to accommodate the 3,600-pound Zimmer. Tire size is increased. Front disks and rear drums have a 4-wheel lock-up feature. The MacPherson-

Continued on Page 37, Col. 1

Division chief Fuller explains shift in market strategy

VW reorganizes, begins drive to be more German again

By John Russell
New York Staff Writer

ENGLEWOOD CLIFFS, N. J. — Faced with consistently declining sales, Volkswagen of America has shifted its gears and is beginning a drive to re-establish itself in the marketplace. It's a drive that marks a break with policy the past few years since the company began manufacturing in the U. S.

When the company began manufacturing its Rabbit at its Westmoreland, Pa. plant, it identified itself with the domestic market. It wanted to be domestic. But now, it is moving back toward stressing its German heritage.

The beginning of this shift in strategy started with reorganization of the company nearly two months ago, when Volkswagen Division was formed.

James R. Fuller was appointed to head the division, coming from his post as vice president in charge of the Porsche-Audi Division, a job he held for over two years. There he was charged with pulling that division back together and creating a strong identity for the product lines. Now, he is charged with the same task.

In an interview with AUTOMOTIVE NEWS, Fuller said bluntly that VW Division, as part of an overall strategy now being developed, is going back to its roots. "We're a German company that happens to build cars in the United States," he said flatly.

A new thrust, at least for the summer, has also emerged and is breaking in major media now. The company will put most of its emphasis on its imported cars — the Jetta, the Scirocco and the Quantum. Fuller said this move was to capitalize on the stronger segment of the market, the upscale rather than the economy car, where there appears to be some movement.

He said this is a tactical move to take advantage of the market, but it "will also reaffirm the German character of our company." He added that in the market, when "you say German there's a whole list of attributes," including quality, handling and performance.

While the division will continue to promote the Rabbit and the price reduction put in place two months ago, a goal of the current campaign is to show that "our U. S. cars" have the same personality as cars built in Germany.

Fuller said the image shift has the total support of both Volkswagen of America and the German parent company.

In the emerging framework, this image identification is playing a key role. Fuller said over the past six weeks "we have redefined our marketing priorities" and stressed that the division has to "build up a sense of what Volkswagen stands for."

• A divisional position is emerging for Volkswagen which will be more brand-oriented than model-oriented. It will be held together under an umbrella presenting the Volkswagen image and a new image is also emerging — one of performance rather than fuel economy, but performance in terms of all around performance, a European definition of performance.

There is another attribute to this shift to performance and all around handling of the cars, according to Fuller, in that this can be demonstrated.

He noted that a company really can't demonstrate styling, since the consumer either likes it or does not. On price, it is either too high or not. And fuel economy today is a given. But performance can be demonstrated by dealer sales people and in advertising.

For the dealers, the division has launched a training effort for sales staffs showing them what the Rabbit can do against its competition. These are called Rabbit Rallies and is a similar technique that was used at Porsche with the Porsche Caravan.

In its television commercials, Fuller had laid down an apparent dictum: The commercials will not be static. This is coming to the forefront with two new commercials for the Jetta and the Scirocco. Both show handling under various conditions and stress the German heritage of the cars.

The European approach may be further reinforced on the dealer level. For the past six weeks Fuller has been on the road, involved in a series of dealer meetings, explaining where the division is going and what they can expect. But, dealers are no longer "dealer principals" in the division mentality; they are "dealer partners."

Fuller said that was a "more European approach" but said if there was another balance sheet that could measure the most valuable elements of Volkswagen, it would be its dealers and its heritage. "We're doing nothing more than stressing those points."

Much of the current effort to stress the import cars in the lineup is paving the way for the 1983 introduction.

Fuller said when the '83 model launch occurs, the division will put more stress on the Rabbit. And, he added there will be a new Rabbit "to talk about."

He would not go into any detail on the new model Rabbit. However, indications are strong it will be the GTi. It has long been rumored that Volkswagen would introduce this performance version Rabbit to the U. S. market. It is now available in Europe.

Volkswagen has a six-product lineup ranging in price from the Rabbit at $5,990 to nearly $13,000 for the Quantum sedan. Included are pickups and the Vanagon.

Quantum is in effect being fully introduced. While the introduction of the car was held last fall, it was incomplete because of lack of availability. The Quantum Coupe and Wagon were introduced, but not the sedan. Now, the sedans, which Fuller termed the "bread-and-butter car" of this luxury sedan market are here and the push on Quantum started within the last 60 days.

Scirocco, Fuller claimed is "crying" for redefinition. It is not a coupe, he said, but a sports car.

And the move by the division is to define the car as such, particularly in its new television commercial.

Jetta will also be getting a

Continued on Page 38, Col. 4

Cars & Concepts to acquire Hurst

BRIGHTON, Mich. — C & C, Inc., parent company of Cars & Concepts, special-vehicle firm, and Allegheny International, Pittsburgh, have reached an agreement in principle under which Cars & Concepts, Inc., will acquire the assets of Hurst Performance, Inc., a subsidiary of Sunbeam Corp.

Richard R. Chrysler, chairman of C & C, said Hurst will continue to operate from its present location in Warminster, Pa., and with its present management.

He said the acquisition will add an important dimension to C & C's aftermarket business, and strengthen existing specialty vehicle product lines.

Congratulations from the top

James L. Burke, center, newly elected chairman of the Ford National Dealer Council, is congratulated by Donald E. Petersen, left, Ford Motor Co. president, and Philip Caldwell, company chairman. Burke heads Jim Burke Ford, Bakersfield, Calif.

index

Advertising news	21
Auction reports	28, 35
Classified advertising	31
Editorial page	12
Personnel	4
Production by makes	42
Registrations, cars	4, 34
Truck highlights	20

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